

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, FEBRUARY 26, 1931

## CENTRAL WEST CASUALTY COMPANY

December 31, 1930

### FINANCIAL STATEMENT

#### Assets

Cash in Banks and Office.....	\$ 125,260.40
Stocks and Bonds (market value).....	1,828,011.50
Real Estate Mortgages.....	842,231.77
Real Estate .....	10,300.00
Due from Reinsurance Companies.....	16,789.34
Agents' Balances (less than 90 days).....	488,931.85
Interest Due and Accrued.....	39,814.48
<b>Total Assets .....</b>	<b>\$3,351,339.34</b>

#### Liabilities

Reserve for Unadjusted Losses & Claim Expense .....	\$ 770,520.67
Reserve for Unearned Premiums.....	949,271.35
Reserve for Commissions on Unpaid Balances .....	110,684.08
Reserve for Reinsurance.....	31,053.89
Reserve for Taxes.....	49,701.16
Reserve for Accounts Payable.....	2,139.90
Reserve for Dividends.....	12,500.00
	<b>\$1,925,871.05</b>

Capital .....	\$1,000,000.0
Surplus .....	425,468.29

Surplus to Policyholders..... 1,425,468.29

Total Liabilities .....\$3,351,339.34

Writing all approved lines of Casualty and Surety

Faithful as a Fiduciary

Conservative as an Underwriter

Competent in the fulfillment of its obligations

Hal H. Smith, President

Wm. B. Mann, Executive Vice-President

Home Office—131 West Lafayette Boulevard, Detroit, Michigan



# By Demonstration or How to Sell Windstorm Insurance

**H**ERE'S a breezy way to sell Windstorm Insurance. It is a known fact that just a cubic foot of air, if projected with sufficient force, will blow a man's head off. All you have to do then, is to rig up a wind howitzer as pictured, place it in front of your prospect, and nonchalantly shoot his head off. If that doesn't wake him up to the vital necessity for Windstorm Insurance, nothing ever will.

Seriously, though, why is it that so many people must virtually have their heads shot off before they buy protection? After the tornados, the hurricanes, the damaging gales, they rush for it. But before — not interested. Is the fault theirs or ours who sell the coverage?

Let's assume most of the blame, and now, during March, when angry winds usually start on their way of destruction, put on a drive for Windstorm Insurance. The Springfield Business Promotion Department has sales literature designed just to help you. Ask for it.

You may find strong cross currents to block your way as you sail into this campaign, but we'll wager on success when your own enthusiasm and endeavor are backed up with Springfield Service.

## Springfield Fire and Marine Insurance Company

*Chartered 1849*

SPRINGFIELD, MASSACHUSETTS

GEORGE G. BULKLEY, *President*

*Western Department:* HARDING & LININGER, *Managers*, Chicago

*Pacific Department:* JOHN C. DORNIN, *Manager*, San Francisco

*Canadian Department:* W. E. FINDLAY, *Manager*, Montreal

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CONSTITUTION DEPARTMENT, Springfield, Mass.

SENTINEL FIRE INSURANCE COMPANY, Springfield, Mass.

MICHIGAN FIRE & MARINE INSURANCE COMPANY, Detroit, Michigan

NEW ENGLAND FIRE INSURANCE COMPANY, Pittsfield, Mass.

*Specify Stock Fire Insurance*



# MONARCH FIRE INSURANCE COMPANY

CLEVELAND, OHIO

## Statement December 31, 1930

Ohio Basis

### ASSETS

Bonds—Market Value.	\$1,797,300.00
Stocks—Market Value	1,020,794.00
	<u>\$2,818,094.00</u>
Real Estate—Market Value.....	391,085.50
Mortgage Loans .....	352,340.33
Cash in Banks and Office.....	122,059.19
Agents' Balances written Subse- quent to October 1.....	325,282.56
Deposits with Underwriters' Asso- ciations .....	1,100.00
Reinsurance Recoverable on Paid Losses .....	5,338.09
Accrued Interest and Rents.....	21,939.47
	<u>\$4,037,239.14</u>

### LIABILITIES

Outstanding Losses .....	\$ 198,006.00
Unearned Premium Reserve.....	1,207,883.35
Taxes, Expenses and all other Lia- bilities .....	98,360.27
	<u>\$1,504,249.62</u>
Total Liabilities, except Capital...	\$1,504,249.62
Capital .....	\$1,000,000.00
Surplus .....	1,532,989.52
	<u>2,532,989.52</u>
	<u>\$4,037,239.14</u>

### OFFICERS

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*FIRE destroys Rental Income!*  
*Cover clients against this loss.*

**The AMERICA FORE GROUP of Insurance Companies**  
 THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY  
 AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

*Eighty Maiden Lane,*

**THE FIDELITY AND CASUALTY COMPANY**

*New York, N.Y.*

ERNEST STURM, Chairman of the Boards  
 PAUL L. HAID, President

ERNEST STURM, Chairman of the Board  
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NEW YORK

CHICAGO

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ATLANTA

DALLAS

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# The National Underwriter

Thirty-Fifth Year No. 9

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, FEBRUARY 26, 1931

\$4.00 Per Year, 20 Cents a Copy

## Goodwin Answers Chrysler's Letter

Takes Offense at Mutual's Advertising Acquisition of Line

### TELLS RECIPROCITY IDEA

Charges Motor Manufacturer With Deserting First Principles of the Capitalistic System

Percy H. Goodwin, president of the National Association of Insurance Agents, has replied to Walter P. Chrysler, chairman of the Chrysler Motor Corporation, stating that the feature of the transaction by which Chrysler distributed a portion of his insurance among mutual carriers to which the agents of stock companies take the greatest offense is the capitalization of that business by the mutuals in their advertising.

Following the agitation of the Chrysler case by the agents, in which the principle of reciprocity was expounded, Mr. Chrysler replied to the National association, pointing out that only 25 percent of his company's business had gone to the mutuals.

#### Mr. Goodwin's Letter

"You call my attention to articles that have been published in the 'American Agency Bulletin' and express the opinion that these articles were written without adequate or accurate information as to your insurance placement," Mr. Goodwin states. "I note your statement that 75 percent of your corporation's insurance premiums are paid to stock companies and 25 percent to mutual companies; and you arrive at the conclusion that this is a sound business practice.

"Your letter does not reveal the character of this division of insurance and I am unable definitely to determine whether the proportion of the premium paid to the mutual companies covers your entire line of fire insurance, with the proportion paid to stock companies covering casualty and inland marine lines. The figures rather indicate that this might be the procedure you have adopted. If so, it would appear to me that the most desirable of your insurance business has gone to the mutuals.

#### Chrysler's Privilege

"I should like to have you understand that we readily concede your entire right to place the insurance of the Chrysler Corporation in any way that you choose and with any form of insurance company—be it stock, mutual or reciprocal.

"The mutual companies have not hesitated to make capital of your insurance commitment to them and have broadcast that fact as an argument to other large concerns that they should do likewise. If the broadcasting of the name of the Chrysler Corporation as a protagonist of mutual insurance was without your sanction and approval, or

## Day Resigns as Head of Fire Company of Chicago

HOME OFFICE BEING MOVED

Now Owns Controlling Interest in Two Life Companies and One Fire Company

Darby A. Day, president of the Fire Insurance Company of Chicago, has resigned that office and that of director. In view of the failure of the Darby A. Day companies outside of the fire company, it seemed desirable to have him retire entirely from the fire company. Secretary O. F. Looker explains that Mr. Day's other enterprises had no connection with the Fire Insurance Company of Chicago other than his being an official of the various companies. The home office was moved this week from Mr. Day's old quarters in the Bankers building to A1159 Insurance Exchange, Chicago, taking the former offices of the Pennsylvania Surety. The annual meeting will be held March 30. In the meantime Massey Wilson, chairman of the board, who is head of the Insurance Investment Corporation of St. Louis, which is the chief financial factor in the Chicago company, and Attorney E. H. Henning of Chicago, vice-president, will look after the presidential duties. J. N. Gilmore, vice-president, is the managing underwriter. The Fire Insurance Company of Chicago owns the control of the Federal Reserve Life of Kansas City, Agricultural Life of Michigan and Iowa National Fire.

The Fire Insurance Company of Chicago has three agents in the Insurance Exchange: Keller, Anderson & Co., with whom Mr. Gilmore was formerly connected; B. L. Heath & Co., and Jacobs Brothers.

without the approval of the officers of your corporation, then it would appear that whatever proper complaint you have with reference to subsequent action must be placed where it belongs, namely, upon the shoulders of the mutual companies that have attempted to capitalize your decision to place a portion of your insurance with them.

#### Reaction of Insurance Men

"I understand that this newspaper publicity has caused a number of letters to be written to your corporation by stock insurance men calling your attention to the fact that as buyers of automobiles, they look with more favor upon automobile manufacturers who place their insurance with stock companies than they do upon those manufacturers who patronize mutual insurance.

"The position so taken by these insurance men, is no doubt, occasioned because the National Association of Insurance Agents for the past two years has been developing the doctrine of reciprocity in business. The development of that theory by our organization had nothing in the world to do with the Chrysler Corporation or its insurance placement. It just happened that we were in the midst of a survey of national manufacturers with reference to their insurance when the newspaper story about 'Chrysler Going Mutual' broke. Undoubtedly, the papers seized upon that

## Program for Conference on Insurance Subjects

INTERESTING DISCUSSIONS UP

American Management Association Announces Speakers for Its Forthcoming Meeting in Chicago

The program for the insurance conference in connection with the American Management Association to be held in the Palmer House, Chicago, April 27-29 is announced. It is under the direction of P. D. Betterley, assistant treasurer, Graton & Knight Co. The program is as follows:

#### Monday, April 27

Multiple Location Floater Insurance, by Albert W. Pell, treasurer Lamont, Corliss & Co.

Foreign Marine Insurance, by Alan M. MacIntire, assistant treasurer United Fruit Company.

#### Afternoon Session

Domestic Marine Insurance, by Mr. MacIntire.

Use and Occupancy Insurance, by Mr. Betterley.

#### Tuesday, April 28

Catastrophe Hazards, by H. W. Maynard, manager Industrial accounting department, Herbert F. French Company.

Prevention of Losses, by A. T. Bell, secretary Leeds & Lippincott Company, chairman executive committee National Fire Protection Association.

#### Wednesday, April 29

Products Liability, by L. H. Wiggers, insurance manager Procter & Gamble Company.

Employers' Public and Contingent Liability Risks, by D. M. Loughman, insurance director General Outdoor Advertising Company.

Business Life Insurance, by E. M. McMahon, second vice-president Chase National Bank.

#### Afternoon Session

Round Table Conference. Led by Mr. Betterley.

A feature of the conference will be the visit to the Underwriters' Laboratories Tuesday afternoon, following a luncheon which will be addressed by Dana Pierce, president of the Underwriters' Laboratories.

Tuesday evening, April 28, will be devoted to a dinner and round table conference with opportunity for discussion of members' insurance problems. The Wednesday afternoon session similarly will be devoted to a round table conference, members being invited to submit in advance their practical insurance questions and problems.

news item as having some relation to the National associations' doctrine of reciprocity and the emphasis thus placed upon the transaction, by the insurance press, was merely incidental to and not the principal factor of any movement attempting to discriminate against Chrysler automobiles.

"It is not my purpose to discuss with you at any length the 'sound business practice' (or lack of it) you have shown in the transaction under discussion. Where you place your insurance is entirely your business and none of ours. By the same token, where insurance agents and men engaged in the stock insurance business buy their automobiles, is like-

(CONTINUED ON PAGE 31)

## Contract Reform Chapman Lesson

Clear Instrument Covering Company—Agent Relation Needed

### EXPIRATIONS NOT ISSUE

Decision of Judge Dawson in Louisville Is Not Considered Radical by Executives

Necessity for agency contracts covering every contingency which might develop in relation between company and agent and the obligations of company and agent, is the lesson which most executives draw from the decision of Federal Judge Dawson in Louisville that the agency records of a bankrupt agency are the property of that agency and not of the company. The decision was rendered in favor of the Chapman Insurance Agency of Louisville against the companies claiming the records.

Disinterested observers were not disposed to criticize the decision unfavorably. There is much justice, according to some executives, in the position that the agency records of an agency which has failed constitute property rights over which the receivers should retain control. It is a matter for litigation, they concede, whether the companies should be recognized as prior creditors to the extent that the agency should be deprived of its records.

#### System of Appointments

The real criticism centered about the system of appointing agents, by which perfunctory appointment papers are used instead of real contracts. The contract, according to observers, should specify clearly that the agent is acting for the companies in purely a fiduciary capacity as well as setting out the procedure when policies are canceled, covering return commission and all other features which enter into the peculiar relationship between a fire insurance company and its agent.

The question of a company's right to solicit expirations of an agency which has failed was not an issue in the Louisville decision. If the decision implied that they could not solicit the expirations the companies would be much more exercised than they are. Executives state that legal difficulties probably exist for obtaining the agency records but they do not regard the Louisville decision as especially inimical to their interests.

#### More Comprehensive Contract

Some executives point out that other occurrences in the west during the past year illustrate the need of a more comprehensive contract. If real contracts had been used instead of appointment papers, for instance, the Kansas and Missouri controversies over payment of

(CONTINUED ON PAGE 37)

## Chicago Brokers Working on Plan to Dignify Profession

### INFORMAL APPROVAL GIVEN

Association Directors in Favor of Scheme to Bond All Members as Certificate of Integrity

An important step to dignify the insurance brokerage profession in Chicago is contemplated by the Insurance Brokers Association of Illinois, headed by Frank P. Lavin, and is in the hands of a special committee. It is to bond all members of the association as a guaranty that premiums paid to them by assureds will be forwarded to the companies.

An integral part of the plan is to secure passage of the brokers qualification bill which is to be introduced in the Illinois legislature as soon as it reconvenes in March following the Chicago city election.

#### Would Have Double Credentials

Thus the members of the brokers' association would be able to present the credentials of a license issued by the state and a corporate surety bond.

Chicago brokers have found some public sentiment against their business, due to the fact that in Illinois there are no statutes regulating brokers and there have been many unqualified and some dishonest persons who have entered the business.

The chief difficulty has arisen over failure of some dishonest brokers to remit premiums. There have been complaints of assureds that their policies were canceled unjustifiably, which on investigation developed to have been due to failure of brokers to remit premiums.

#### Companies' Stand in Matter

Companies take the stand that brokers are agents of assured and for this reason when there is any question of a premium having been paid to the company, it is a matter for adjustment solely between the broker and assured. Most companies take the stand that until they receive the premium on a policy they can do nothing else but cancel the insurance on a showing of failure to pay premium, and deny liability under any claim which may arise subsequently.

The matter of this bond and license plan was presented at the last meeting of directors of the brokers' association and was almost unanimously approved in an informal vote.

President Lavin named Clark Nolan as chairman of the committee and Arthur Schwartz as a member. The proposal will be voted on by the members.

### Vertical Cooperative Advertising

The McGraw-Hill Book Company has gotten out a new work "Vertical Cooperative Advertising" by L. C. Lockley, who was formerly connected with the graduate school of business administration at Harvard. This is the result of a study undertaken at the suggestion of the Association of National Advertisers. It is of interest to insurance men to know that the chairmanship of the vertical cooperative advertising committee of the Association of National Advertisers is J. W. Longnecker, publicity manager of the Hartford Fire. This book deals with the marketing problem in its various aspects. The book is sold by THE NATIONAL UNDERWRITER at \$3 a copy.

### Call for Blank Changes

W. A. Robinson, chairman of the committee on blanks of the National Convention of Insurance Commissioners, has sent out a notice calling attention to the fact that suggestions for changes in the statement blanks must be submitted earlier than March 15.

## Removal of Bed Makes Idaho Stovepipe Safe

A fire company recently experienced a small loss on an Idaho farm house which was caused by an overheated, unprotected stovepipe, which passed through an upstairs attic room, and set fire to a bed near the pipe. Before renewing the policy the company made inquiry as to whether or not the hazard had been removed. The following letter was received from the agent:

"The insurance adjuster said the fire started from a bed that was close to a stovepipe that ran through an upstairs room. The bed has been taken from the room, making the stovepipe safe."

With this full explanation the company will undoubtedly accept the risk for renewal.

## Cancellations Still Heavy, Local Agents Declare

Cancellations continue to be heavy although 1930 undoubtedly brought a larger percentage than the first two months of this year. In the large cities in comparatively normal times the cancellations will probably average about 20 or 25 percent of the premiums written. Last year in some months the cancellations ran as high as 40 percent. The abnormal situation was due to hard times where assureds evidently were not able to pay the premium. An agency refused to carry a policyholder further. The insurance was cancelled. The policyholder then tried out other offices. By this method undoubtedly assureds were able to continue to be covered and not pay any premium.

Carefully conducted offices in getting a new line concerning which there might be some doubt always got a credit rating and if the assured had judgments rendered against him or appeared to be in a shaky condition, the application was turned down. In some points local agents have a clearing house so that all have knowledge of assureds that do not pay their bills. Therefore they can protect themselves if new customers offer themselves and they have not paid the insurance premium in the past.

### U. S. Merchants & Shippers

The annual statement of the United States Merchants & Shippers, whose fire department is in charge of Crum & Forster and the marine and automobile department under the jurisdiction of Appleton & Cox, shows assets \$6,565,763, capital \$1,000,000, net surplus \$1,779,143. The company is in a very healthy condition.

## Rival Candidates Groomed for U. S. Chamber Director

### RACE WILL BE A WARM ONE

Vice-President Long of the Phoenix of Hartford and Geo. Markham Contestants

NEW YORK, Feb. 25.—G. C. Long, Jr., vice-president of the Phoenix of Hartford group, and G. D. Markham, a leading agent of St. Louis, are rival candidates for a directorship of the Chamber of Commerce of the United States, in succession to C. A. Ludlum, formerly vice-president of the Home, whose term of office will shortly expire. Company officials are cordially supporting Mr. Long while the agents are backing Mr. Markham. Company men maintain that as the function of the directors of the Chamber of Commerce is to broadly interpret the particular interests of the business each represents, and to correlate these with other interests welding them into a complete whole for the betterment of all, an executive officer is more competent to define the policies of an industry than is a man without such opportunity; this with all due respect for the ability of Mr. Markham. Mr. Long is a notable figure in fire underwriting circles and has been admirably trained by his chief, Edward Milligan, one of the most forceful figures that has appeared in the business for a long time. By virtue of his post as an officer of an important group of companies Mr. Long understands business conditions in all sections of the country and must of necessity keep in constant touch with them. He is familiar with the broad policies of the insurance companies and can present these fairly and clearly to others.

#### Markham a Strong Candidate

Mr. Markham naturally will make a strong race because he will have back of him the National Association of Insurance Agents of which he is a former president. He is a man of keen ability, of high social and financial standing, prominent among the Harvard alumni and a forceful character. The agents declare that there has not been representation on the board so far as their large interests are concerned. Hence the organized agents are putting up a fight for Mr. Markham.

### Permanent Receivers Named

BALTIMORE, Feb. 25.—Chief Judge S. K. Dennis of the circuit court has signed an order dissolving the Hampton Roads Fire & Marine and appointing D. S. Lowe and J. H. Rice permanent receivers. The receivers are to serve in the place of H. C. Bregel and Mr. Lowe, who were temporary receivers.

## Successful Midyear Meeting Held by Michigan Agents

### CONSIDER QUALIFICATION BILL

Calhoun, Livingston and Governor Speak—Urge Action Against Manufacturers Buying Mutual Cover

LANSING, MICH., Feb. 25.—An actual draft of a proposed agents' qualification act was submitted and discussed at the first midyear meeting of the Michigan Association of Insurance Agents here last week. It proved to be a most successful gathering and assured the continuance of holding winter business sessions.

The meeting brought together about 100 leaders in state and local association work from all parts of the state and, while the business session was confined exclusively to local agents, the banquet and smoker Thursday evening was attended by a number of field men and other special guests, including Commissioner C. D. Livingston and other officials of the Michigan department.

The headline speaker at both the evening and executive sessions was W. B. Calhoun of Milwaukee, chairman executive committee National association. Governor W. M. Brucker and Commissioner Livingston also appeared on the speaking program. In the absence of G. E. McVoy, president Michigan association, who was called back to Grand Rapids by serious illness in his family after attending some preliminary committee sessions, C. B. Smith, former president National association, presided at the dinner meeting and G. L. Weadock, Saginaw, chairman governing committee, at the all-day meeting Friday.

#### Weadock Presents Draft

Mr. Weadock, who attended a conference with Commissioner Livingston preceding the agents' meeting at which it was decided to frame an agents' qualification bill satisfactory to all classes of insurance presented the tentative draft of a bill incorporating the provisions which fire and casualty agents will wish included in the general measure.

The bill would provide for appointment by the governor of an examining board of five experienced fire and casualty agents to pass on the qualifications of applicants for fire and casualty agents' licenses. Written examinations would be devised by the board to determine applicants' qualifications as to general education, knowledge of the insurance business and practice, and other requisites. Applicants would also be questioned orally by the examiners. In the case of agents having had three years' satisfactory experience in the agency field, the board could waive examination.

#### Tells of Association's Work

Mr. Calhoun, in his main address at the executive session, told of the National association's work and touched upon some of the major problems confronting the business. He stressed primarily, however, the importance of local boards to the agents' organization in maintaining the principles of the American agency system.

Mr. Calhoun predicted that the branch office system will never gain any extended popularity in this country as its expense is greater, he contended, than that of the policy-writing agency plan. The local agent, however, should give such a quality of service, he said, that a company he represents cannot logically give consideration to any other system.

The organized agents should reveal their power, Mr. Calhoun said, in dealing with those manufacturers who repudiate stock insurance. He said that leaders in the national organization are coming to feel "that it is time for us

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## CONDENSED NEWS OF WEEK

Percy H. Goodwin answers Chrysler letter on mutual insurance. **Page 3**

Darby A. Day resigns as president and director of the Fire Insurance Company of Chicago. **Page 3**

Interesting program of discussions arranged for mid-year meeting of National Association of Insurance Agents. **Page 5**

Attorneys for companies in Missouri rate controversy continue efforts for transfer of case to federal court. **Page 8**

Michigan agents hold mid-year meeting in Lansing. **Page 4**

Insurance Brokers Association of Illinois considering bonding plan calculated to dignify profession. **Page 4**

Vice-President Long of the Phoenix of Hartford and George D. Markham of St. Louis are rival candidates for directorship of the United States Chamber of Commerce. **Page 4**

Program announced for insurance conference of the American Management Association to be held in Chicago. **Page 3**

Company men see decision in Chapin case as indicating the necessity for greater clarity in agency contracts. **Page 3**

Decreasing revenue of state governments brings many bills in legislatures imposing extra taxes on insurance. **Page 5**

Explanation of formula depreciation given Chicago fire examiners by Lloyd-Thomas official. **Page 6**

Surety men find bank failure situation past peak, but not yet normal. **Page 33**

Suicide cases offer big problem for accident and health companies. **Page 33**



## Agents to Argue Timely Subjects

Interesting Program Arranged for  
Mid-Year Meeting of National  
Association

### TO DEBATE MANY ISSUES

Nashville, Tenn., Gathering March 17-19  
Promises Constructive Discussion  
of Business

NEW YORK, Feb. 25.—There should be no lack of interest at the mid-year meeting of the National Association of Insurance Agents at Nashville, March 17-19. The subjects for open discussion are thoroughly timely and cover matters on which local agents would benefit through a free exchange of ideas.

Consideration will be given branch office operation, fictitious automobile fleets, compensation rates, reciprocity in business and activities of the Interstate Underwriters Board. None of the topics is new but all are of concern to the local men, the large majority of whom represent casualty as well as fire companies, and hence have a very definite interest in workmen's compensation rates, the basis of their preparation and the attitude thereto of competing institutions.

#### Recommendation Expected

Although a score or more insurance departments have very positively warned against the inclusion of privately owned cars in writing automobile fleet coverage, the practice continues in a number of states, and an effort to eliminate it will likely be recommended.

The matter of reciprocity in business relations doubtless will have as a particular incentive for its consideration the recent action of the Chrysler Motor Corporation in placing a considerable portion of its \$125,000,000 fire line with mutual offices. The suggestion is being pushed that insurance men contemplating the purchase of cars give consideration to those manufactured by concerns patronizing stock insurance.

#### Push Markham Candidacy

The plans and activities of the Interstate Underwriters Board have been considered by local agents in all sections of the country, many of the state associations having been addressed by J. R. Dumont, manager of the I. U. B., the past year.

Members of the National association will be urged to do all within their power to promote the candidacy of G. D. Markham of St. Louis, for membership on the directorate of the Chamber of Commerce of the United States.

During the course of the meeting, reports will be made on progress of the coalition group and on the National council, two new units of the National association set up in the constitution adopted at the Dallas convention last year.

The executive committee will meet March 16, while the following day will be given over to the organization meeting of the National council, made up of one representative of each state association, who serves as a liaison officer between the state and National organizations. Save only Nevada, every state organization has now designated its National councillor, of which body President P. H. Goodwin will serve as chairman.

The get-together dinner will be held March 17, and a dance the following evening.

Convention headquarters will be the  
(CONTINUED ON PAGE 31)

## Stinson's Observations on Present Problems

Prediction was made by Vice-president Alfred Stinson of the Automobile of Hartford that the process of accumulation of company units by fire insurance fleets has come to an end. He delivered this opinion in his address at the western field conference of the Automobile and Standard Fire in Chicago—sessions which produced a vast amount of advice and information which the special agents attending can turn to immediate advantage in their work.

#### Would Sacrifice Energy

Mr. Stinson based his prophecy on the fact that companies, which were organized in recent years and are now finding the sledding hard, are unable to attach themselves to fleets or effect reinsurance arrangements in an attempt to avert disaster. The fleet arrangement has produced valuable economies, but from the point of view of production, Mr. Stinson declared that a point of balance has been reached, a point beyond which it is no longer economical to proceed in the addition of companies to a group.

Groups with a multiplicity of companies, according to Mr. Stinson, are about as thoroughly distributed throughout the agencies as it is possible for a single fire office to be distributed. Addition of more companies, at this time, he believes would result in a dissipation of energy and the sacrificing of in-

terest of the companies already in the group.

#### Underwriting Judgment Ignored

Not only are the company groups unwilling to take on more units because to do so would result in "scattering their bets," but, Mr. Stinson pointed out, they are unwilling to absorb the business of companies which may seek to be reinsured. The agency plants of these companies which are for sale, are not so desirable because representation was gained by irregular inducements. Moreover, the business of these companies is under suspicion because, in their eagerness to get premium income with which to speculate in the securities market, the underwriting judgment was largely ignored.

These companies are not going to substantial groups. They will go by the receivership route, Mr. Stinson declared.

#### Field Men and Automobiles

A statement by Mr. Stinson which jolted some of his listeners was that the use of the automobile by the special agent has come to be a great evil. He said that field men make four or five towns instead of one town a day. They are too quick to leave a town. The special agent is eager to make a record and he thinks he is impressing his su-

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## Legislative Tide Heavy This Year

Carriers' Reporting Services Appalled at Volume of Bills  
Affecting Insurance

### EXTRA TAXES PROPOSED

Decreasing Revenue of State Governments Puts Insurance "On the Spot" for Purpose of Levies

NEW YORK, Feb. 25.—Company officials, who normally expect a flood of legislative proposals in assemblies of the various states, are amazed this year at the increasing number of bills affecting insurance interests directly or indirectly. They are wondering if there is to be any end of them, and what the future of the business will be if some of the more fantastic measures are placed on the statute books.

Since the opening of the legislative season, 1,586 bills affecting insurance have been submitted. In THE NATIONAL  
(CONTINUED ON PAGE 31)

## FIGURES FROM DECEMBER 31, 1930, STATEMENTS FIRE COMPANIES

	STOCK COMPANIES		MUTUALS	
	Assets	Gain in Assets	Assets	Gain in Assets
Aero	\$1,108,685	\$-7,766	\$223,990	\$-75,700
Alliance Assur., Eng.	1,858,416	79,709	431,439	-2,929
Atlantic City	1,233,955	53,633	54,782	-11,492
Belt Fire, Cal.	243,049	56,914		
Birmingham Fire, Ala.	1,331,704	-64,061	181,855	40,927
Buffalo	6,343,274	-159,773	2,359,433	-91,303
Caledonian	4,272,410	-273,910	2,447,039	-129,537
Caledonian-American	1,617,393	50,192	395,472	1,941
Capital Fire, Cal.	1,046,428	46,344	185,399	75
Carolina	2,417,544	-67,703	753,182	-1,116
Colonial States	521,747	-81,410	122,558	7,460
Columbus Fire, Miss.	282,698	5,832	41,607	1,722
Commerce	4,300,992	-702,062	1,692,293	-10,853
Connecticut Fire	20,145,631	-11,375	7,266,552	-338,128
Cotton M. & F.	610,508	90,992	15,785	770
Dubuque F. & M.	5,113,160	-381,483	2,825,313	-83,731
Equit. F. & M., Conn.	6,526,492	-165,915	1,453,310	-67,625
Federal, N. J.	15,706,941	358,601	2,776,499	-97,282
Federal Union	2,431,059	18,468	734,567	880
Fireman's Fund	38,046,733	-1,756,075	14,751,849	-583,266
General Exchange	15,404,962	-993,723	6,049,006	-932,809
Glens Falls	20,731,756	-2,697,640	7,706,845	-512,022
Granite State	3,917,454	-37,226	1,505,731	11,587
Home F. & M., Cal.	6,281,460	-295,529	2,791,705	-295,529
Indem. Mutual Marine	1,387,252	-7,383		
Indiana Insurance	704,857	19,601	312,298	-14,568
Keystone Auto. Club Fire	475,330	-16,059		
Lincoln Assurance	265,887	-44,948		
Lion Fire, N. Y.	957,531	36,145	449,875	83,152
Liverpool & Lon. & Gl.	19,536,707	-368,910	11,493,324	-427,819
Majestic Fire	593,710	-187,524	87,135	17,202
Marine	5,362,307	-399,689	1,339,570	-70,486
National American	1,913,380	30,461	1,155,640	8,463
National Reserve	2,850,017	-180,994	1,801,998	61,340
Netherlands	1,803,292	109,151	684,390	130,465
Norwich Union Fire	7,208,352	-483,357	3,852,585	-184,672
Occidental	3,790,133	187,863	886,489	321,556
Pearl Assurance	2,283,572	-61,197	898,399	-200,482
Petersburg	709,228	-28,600	132,362	-10,582
Phoenix, Conn.	42,738,394	-2,423,086	12,041,716	-560,326
Preferred Risk	1,207,910	-50,606	615,050	-3,167
Prudential Fire	493,905	62,471	40,269	
Sea	2,984,955	-188,649	400,321	-12,681
Southwestern Fire	770,195	-77,170	76,395	30,177
Star	5,324,688	-29,792	2,144,538	-49,107
Swiss Reinsurance	7,402,476	-1,139,172	3,557,233	
Trinity Fire	2,271,962	-1,519	56,106	96,427
United Pacific Fire	706,400	-161,934		
Utah Home Fire	1,652,086	-244,275	395,188	-25,988
Virginia F. & M.	3,358,563	-292,501	1,411,544	-1,879

\*Includes special reserves.

	STOCK COMPANIES		MUTUALS	
	Capital	Surplus	Capital	Surplus
Aero	\$500,000	\$259,624	\$190,100	\$31,353
Alliance Assur., Eng.	500,000	500,262	769,315	1,518,378
Atlantic City	200,000	1,021,736	209,726	594,252
Belt Fire, Cal.	500,000	773,612	201,605	434,460
Birmingham Fire, Ala.	300,000	435,605	490,055	657,912
Buffalo	1,000,000	1,887,844	50,445	921,658
Caledonian	200,000	1,210,750	78,790	165,129
Caledonian-American	100,000	33,771	1,474,350	4,199,523
Capital Fire, Cal.	400,000	429,132	91,033	369,428
Carolina	200,000	964,808	588,239	819,978
Colonial States	200,000	165,704		
Columbus Fire, Miss.	115,150	49,738		
Commerce	1,000,000	1,444,024		
Connecticut Fire	2,000,000	8,712,614		
Cotton M. & F.	400,000	170,060		
Dubuque F. & M.	1,000,000	933,961		
Equit. F. & M., Conn.	1,000,000	3,469,016		
Federal, N. J.	2,000,000	7,603,666		
Federal Union	1,000,000	533,233		
Fireman's Fund	7,500,000	*12,122,698		
General Exchange	1,000,000	6,691,821		
Glens Falls	5,000,000	6,263,166		
Granite State	1,000,000	1,207,765		
Home F. & M., Cal.	1,000,000	*2,022,009		
Indem. Mutual Marine	200,000	703,354		
Indiana Insurance	130,000	148,519		
Keystone Auto. Club Fire	200,000	145,820		
Lincoln Assurance	200,000	62,162		
Lion Fire, N. Y.	200,000	208,182		
Liverpool & Lon. & Gl.	400,000	5,482,295		
Majestic Fire	250,000	201,653		
Marine	200,000	2,426,443		
National American	1,000,000	434,118		
National Reserve	500,000	315,251		
Netherlands	200,000	811,814		
Norwich Union Fire	1,000,000	*2,631,240		
Occidental	1,000,000	*1,778,142		
Pearl Assurance	200,000	1,097,827		
Petersburg	200,000	363,541		
Phoenix, Conn.	6,000,000	20,528,429		
Preferred Risk	250,000	216,700		
Prudential Fire	250,000	173,213		
Sea	200,000	1,100,324		
Southwestern Fire	368,900	302,683		
Star	1,000,000	1,776,271		
Swiss Reinsurance	200,000	2,188,154		
Trinity Fire	1,000,000	485,046		
United Pacific Fire	400,000	299,108		
Utah Home Fire	400,000	736,022		
Virginia F. & M.	500,000	1,171,771		

#### MUTUALS

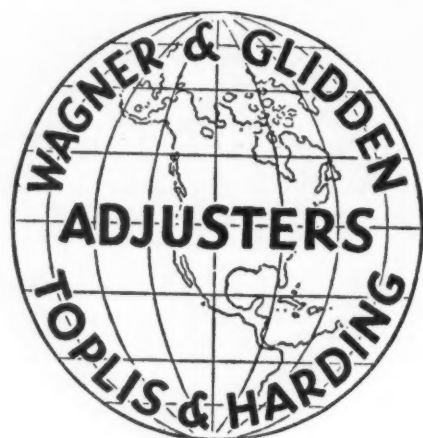
	STOCK COMPANIES		MUTUALS	
	Cash Assets	*Total Assets	Cash Assets	*Total Assets
Al. Amer. Mut. Auto.	\$658,538	\$682,672	\$84,393	\$574,145
Auto-Owners, Mich.	1,428,352	1,482,647	717,352	428,256
Berkshire Mut.	832,575	832,575	524,796	249,066
Citizens Fund Mut.	454,687	608,151	310,028	221,305
Farmers Mut. Neb.	1,105,428	1,142,900	1,050,707	1,050,707
Philadelphia Mfrs.		1,884,889	822,932	1,051,436
Pioneer Coop.	244,647	310,567	96,233	205,056
Retail Hardware	4,221,748	5,207,805	2,544,198	2,219,181
Union Mutual	774,544	1,766,708	274,148	1,432,625
Vermont Mut.	493,095	826,526	434,134	302,611





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ALEXANDRIA—CAIRO—SHANGHAI  
PARIS—MARSEILLES—NICE

*Represented in every principal city in the world*



## Formula Depreciation Is Explained by Chicago Man

### ELIMINATE JUDGMENT FACTOR

Lloyd-Thomas Official Gives Interesting Talk on Important Question Before Fire Examiners

An explanation of the formula depreciation method used by Lloyd-Thomas, Chicago appraisal engineers, was given last week by R. H. Battey, assistant vice-president, in an address to the Association of Fire Insurance Examiners in that city.

A great deal of interest was displayed in the exposition by members, as this matter of the proper basis to use in estimating depreciation of property for fire insurance purposes is a puzzling problem. The formula method has been found particularly useful in establishing proper values on buildings, especially large ones, in order to comply with co-insurance requirements, the clause stipulating "actual cash value less depreciation, if any." Mr. Battey said in part:

#### An Important Question

"The question of proper depreciation allowances is one of the important points of insurance. The replacement new valuation of property is a fairly simple matter, as compared to scientific provable depreciation charges. However, with the advent of scientific formula depreciation used by the Lloyd-Thomas Co. appraisal engineers, the placing of proper fire coverage and the settlement of fire losses has been simplified.

"There are three outstanding ways of figuring depreciation today. The first being straight line depreciation, authorized by the federal government in property tax valuation, and used by the accounting fraternity as an amortization figure. This method is frankly admitted unstable by everyone, as it does not take into consideration the items of expense used in maintaining property.

#### Digests Other Methods

"The second method is judgment depreciation, used by valuers and appraisal companies who endeavor to apply the human element of experience and personal judgment in valuation work. This form of figuring depreciation has a slight advantage over the straight line method, but is still sadly lacking in efficiency.

"For example, let us assume that the value of an office desk (replacement new) is \$300. You wish to secure a sound appraisal of the value for fire insurance purposes, and call in three highly qualified appraisal engineers. The first man judges the present value at \$250, a depreciation loss of \$50. The second estimates the value at \$225, a loss of \$75, and the third judges the depreciation as \$100 direct. Who is right?

#### Judgment Is Unreliable

"Multiply the variation in results of judgment depreciation in this instance by the thousands of items in any property, then you have a true picture of the inadequacy of relying upon individual judgment.

"There are three major factors in estimating depreciation by our scientific formula method: Condition, age and type. Condition reflects the physical shape of the property in question. Age denotes the utility life of the property, and type reflects those elements that cause inadequacy and obsolescence. The establishing of relative relation between each of these three major factors gives the formula in percentages.

"We have made formulas for every class of property on our records, and in this manner we eliminate a large percentage of personal judgment on the part of our field engineers. Our field notes contain the information necessary to apply our formula.

"Let us consider a 50 H. P. motor. From our long experience we know

## New N. Y. Commissioner Prominent in Many Lines



GEORGE S. VAN SCHAICK

The newly appointed New York commissioner, George S. Van Schaick, has been prominent in legal association work. He is a leading citizen of Rochester, N. Y., and is well known in New York politics. His name was mentioned as a candidate for attorney-general in 1928 and 1930.

Mr. Van Schaick was born at Coblesville, attended St. Lawrence university and graduated from the Yale law school in 1907, magna cum laude. He is a member of the board of directors of the Rochester legal aid society, chairman of the committee on legal aid societies of the New York state bar association, a member of the American Bar Association and of various other legal associations. During the past year he has served on Governor Roosevelt's commission on unemployment problems, and he is a lecturer at the University of Rochester.

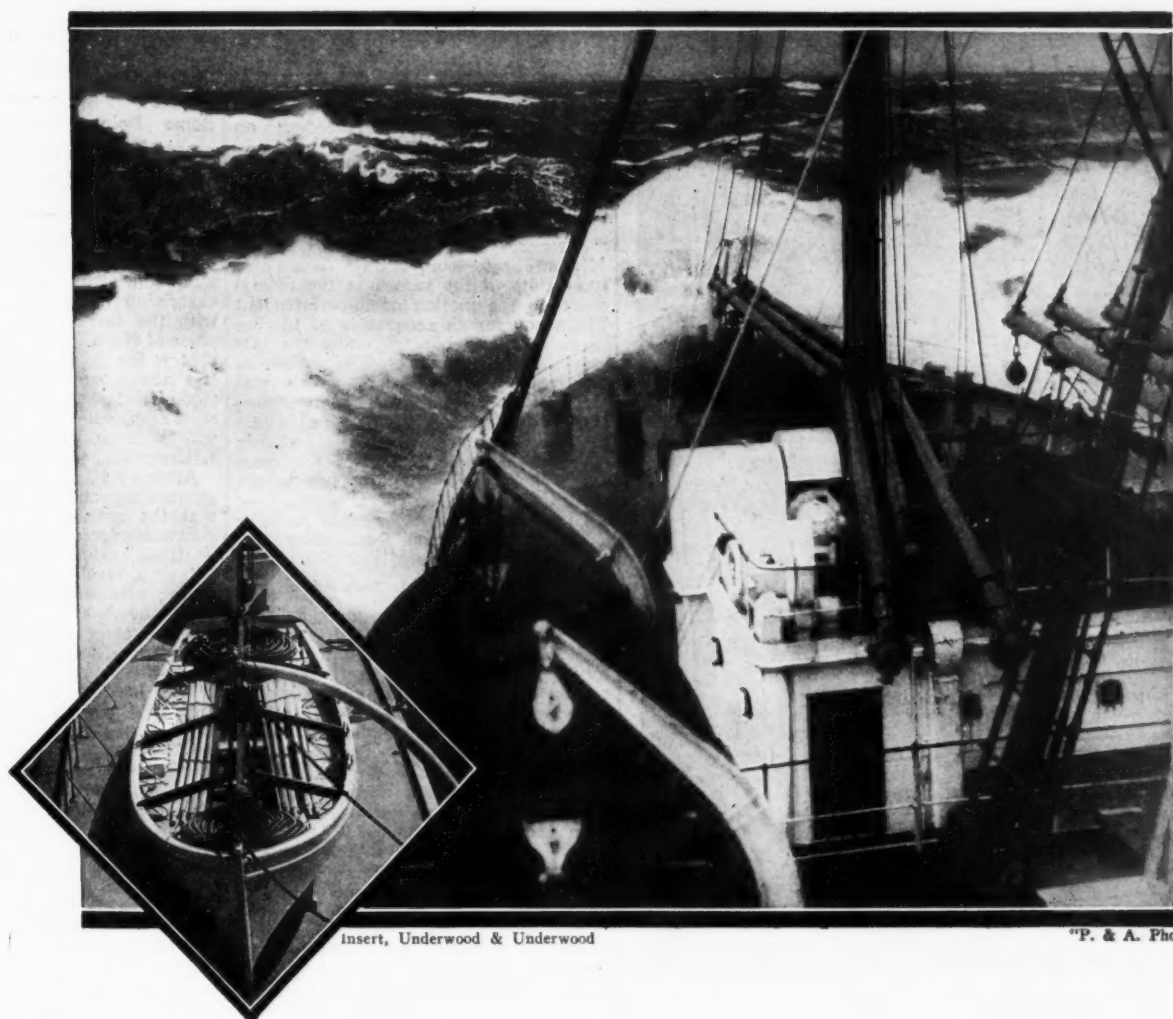
Governor Roosevelt explained that he submitted Mr. Van Schaick's appointment so shortly after the death of Thomas F. Behan because Mr. Behan two weeks before his death had asked to be relieved from the superintendency at once and had discussed the selection of his successor. Mr. Behan was eager that the insurance department should not be without an active manager.

that the factors of condition and age here are of equal importance, since if either age or condition reach a limit of exhaustion, both end together. Our investigations likewise show that the effect of type is one-half that of condition and age. So our formula here is condition 40 percent; age 40 percent; and type 20 percent.

"Condition is the physical depreciation such as wear and tear. We grade condition into five classes. The maximum allowance for condition being 40 percent, we spread it over the five classes as follows: Excellent, good, fair, poor, and very poor.

"The depreciation for age depends upon the length of utility life. Figuring the life of this motor at 20 years, we have a spread of 40 percent, or 2 percent per annum. In the case of type, we spread over four classes. The spread of these four classes being 20 percent, this is our formula: Slight obsolescence, greater obsolescence, marked obsolescence and complete obsolescence.

"There is another important consideration, that of the percentage of the value of the motor that will never depreciate due to the fact that a residue value can be sold as scrap or junk. This value must be deducted from the replacement value, new to determine the proportion to which depreciation applies."



Insert, Underwood &amp; Underwood

"P. &amp; A. Photo"

*Security First*



ON the turbulent sea of business with its treacherous currents of credit, efficient administration calls for every safeguard, one of the principal factors in which is adequate insurance. Policies bearing the Royal Shield always signify "Security First."

# ROYAL

## INSURANCE COMPANY LTD

150 WILLIAM STREET

NEW YORK



THE SATURDAY EVENING POST

## The contents of their home DESTROYED



and hardly enough insurance to refurnish ONE ROOM!

HE had coasted along, renewing each year his small policy on Residence Contents. He never thought how much more money was represented by new radio, furniture, pictures, jewelry, silver, clothing, etc. But he learned very quickly when the replacement bills began to come in and he had scarcely enough insurance to refurnish the living room.

Nine out of ten men under-rate and under-insure their household possessions. If you have not made a detailed inventory of the contents of your home, better do so now and be sure you have enough insurance to cover the values you find. For advice and free Household Inventory Booklet to assist you,

Ask your

# ALLIANCE

Alliance Residence Contents Insurance may be written to cover loss by

FIRE  
EXPLOSION  
(on or off the premises)  
WINDSTORM  
LIGHTNING  
FALLING AIRCRAFT  
RUNAWAY AUTOMOBILES

Pointing the way to  
greater profit on every home  
The Alliance Agent insures.



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## Missouri Wins Skirmish on Excess Premium Accounting

### STATE COURT KEEPS CONTROL

But Companies Are Proceeding on  
Theory Motion Is Transferable to  
Federal Court

Attorneys for the companies in the Missouri rate controversy have filed transcripts of the record in the federal court on the motion of Superintendent Thompson for an accounting of the excess premiums collected under the rate reduction order of 1922. The companies are treating this motion, which was made in Cole county court, as transferable to the federal court despite the fact that Judge Stillwell of the Cole county court denied the petition of the companies to transfer the litigation to the United States district court.

If the federal court assumes jurisdiction, the entire rate controversy will then be in the hands of that court.

#### New Motion Introduced

After the Cole county court had denied the transfer petition, attorneys for the Missouri department and the attorney general's office withdrew the motion for an accounting and entered a new motion asking for a judgment of restitution and the appointment of a special commissioner to supervise the payment of refunds of the excess premiums. This motion alleged that the companies had wrongfully collected from Missouri citizens \$13,087,609, and that there is also due interest of \$3,820,796. Arguments on this motion are to be heard March 9.

The motion for restitution has been entered despite the contention of the companies that they have already paid about 75 percent of the excess premiums. Representatives from the Kansas City law firm of Nugent, Wylder & Berger and from the Chicago firm of Silber, Isaacs, Silber & Woley appeared in behalf of the companies before the Cole county court. Representatives of the Chicago firm of Hicks & Polonie are now taking depositions throughout the east with which to support a petition for a permanent injunction to restrain the Missouri department from interfering in the collection of a 16 2/3 percent rate increase.

#### ANOTHER PETITION FILED

KANSAS CITY, MO., Feb. 25.—That insurance companies affected by the Hyde order of 1922 should not be allowed to keep any of the excess premium which the United States Supreme Court ordered returned to Missouri policyholders in the rate reduction case, is the contention of the state in its latest legal move. The state further is demanding that companies pay interest on excess premiums collected from date the premiums were collected until the refunds were made.

These demands are made in a petition which has been filed in the Cole county circuit court by J. T. Barker and F. E. Jacobs, attorneys for the insurance department. Approximately \$17,000,000 is concerned, which is the total of premiums affected by the Hyde reduction order, plus interest.

#### Interest on Premiums

The contention of the department's legal advisers is that unless interest on excess premiums also is returned to policyholders, the companies stand to gain approximately \$4,000,000 which would make insurance rate wars, according to Mr. Barker, "extremely profitable in Missouri."

If the state wins the suit, the insurance companies will be obliged to pay all of their costs in the long litigation from their legal profits rather than from the excess premiums collected.

All funds not claimed by policyholders after one or two years of advertising,

## Agency Examination Made in Big Louisville Failure

### IN HOT WATER SOME YEARS

Some Points Brought Out in the  
Examination of Bankrupt Estate  
of Chapmans'

LOUISVILLE, Feb. 25.—Filing of claims and appointment of a trustee was about all that took place, other than examining the bankrupts in connection with the first creditors meeting in the office of Nat C. Cureton, referee in bankruptcy, for A. G., and G. K. Chapman, and the Chapman Insurance Agency. Goodwin Speed, an experienced insurance man, who was formerly connected with Williams & Dick, and the Edward J. Miller Co., was named trustee.

Attorney F. M. Drake did most of the questioning and brought out the fact that the agency has been in financial difficulties for a period of several years, its troubles becoming serious the past fall, as a result of poor collections, declining premiums, drop in realty values owned by A. G. Chapman, and the fact that the companies could not agree on any plan to save the business, and make it possible to work it out, plus the bank failures here in November.

A. G. Chapman told of efforts made to keep the agency in operation, and how he had suggested a plan, whereby his brother G. K. Chapman, would be placed in charge, and A. G. Chapman would merely broker his business to the agency, thus reducing operating costs very materially through doing away with his salary, or drawing account.

He blamed the final failure of negotiations on two companies ordering the agency out of the office, on which they held the lease and from which he rented, effective Feb. 1. He stated that with all negotiations off for preservation of the agency, there was nothing left to do, but ask for relief.

#### Were Records Really Assets

Under examination Mr. Chapman admitted that the held records containing information regarding daily reports in his office. Mr. Drake endeavored to force Mr. Chapman to admit that agency records represented agency assets, and had a sales value, and should have been listed in assets. Mr. Chapman refused to admit that a business that had been inactive for more than three weeks, had an asset value, of good will, name use, etc., and therefore he had not seen fit to list it as an asset. Mr. Drake endeavored to make Mr. Chapman admit that he intended to carry on the business, and take its assets in the form of expirations away from it.

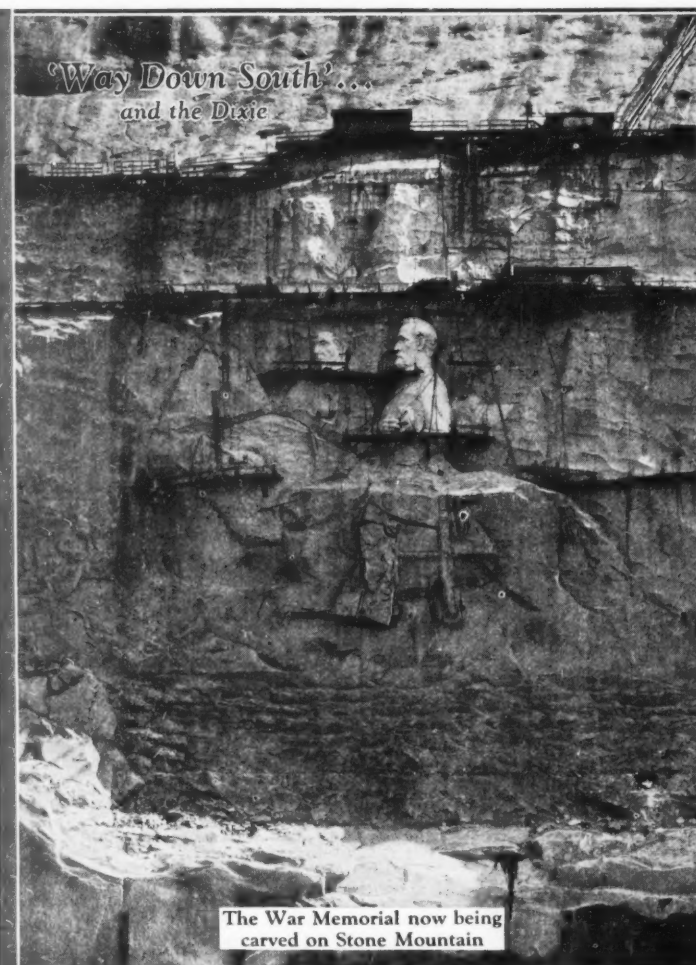
Mr. Chapman traced the fortunes of the agency over a period of years, some heavy losses sustained by failures of large customers and agency balances of from \$70,000 to \$80,000 or more for the last several years; how a balance of around \$45,000 due to the Home of New York had for some years represented a funded balance. He described how in October, following an audit made by the Home, the agency had begun to separate commissions from money due the companies on premiums paid, and had segregated such money in special bank accounts, for distribution to the companies, and rather firmly established the fact that these accounts, were the property of the companies, and had been established at suggestion of the Home of New York for the specific purpose of paying to the companies premiums due to the companies, as paid.

will go into the Missouri "escheat fund," and held there at the pleasure of the legislature for any future claims filed against it.

Judge Stillwell of the Cole county court gave the insurance companies until March 9 to file their answer. Hearing on the petition will be on that date.







## ATLANTA Georgia

ON a plateau more than 1,000 feet high, a young engineer in 1837 drove a stake to mark the terminus of the first railroad in Georgia. Around this stake there grew a settlement called Terminus and later re-named Marthesville. Now it is called Atlanta. It is the capital of and largest city in Georgia, with a metropolitan population of over 350,000.

Atlanta is the transportation center of the South with its eight railroad systems and fifteen main lines; its airway mail and passenger services; and its system of paved highways. It is a prominent communication center, being the largest telephone center in the South; third largest telegraph center in the world. In addition to being the financial center of the South, it also has 654 factories making 1,500 different commodities.

Here, too, is the home of "Uncle Remus"; the place where Woodrow Wilson first practised law; and Stone Mountain, the largest body of exposed granite in the world with its sheer cliff of 800 feet on which is being carved a magnificent war memorial.

### The DIXIE

FIRE INSURANCE COMPANY  
Greensboro, N. C.

Organized 1906  
Surplus to Policyholders \$1,232,970.54  
ONE OF THE AMERICAN GROUP

## NEWS OF THE COMPANIES

### Willis Is Named Secretary

Western General Agent of Importers & Exporters Becomes Official After Long Service

The Importers & Exporters has appointed Arthur C. Willis as secretary. Mr. Willis has been western general agent of the company in charge of Illinois, Indiana, Wisconsin and Michigan for 12 years. He is a seasoned insurance man, has built a splendid business for the company in the middle west and is well deserving of his elevation to the secretaryship.

He began his insurance career in 1915 as a file clerk with the Firemen's of Newark. Shortly thereafter he joined the New York office of Fred S. James & Co. as examiner and in 1919 transferred his affiliation to the home office of the Importers & Exporters as examiner. Shortly thereafter he was made manager of the brokerage department and subsequently became special agent in eastern territory.

From there he was shifted to the Pacific Coast and after serving that territory was made western general agent with headquarters at Chicago. Mr. Willis will not assume his new duties until he has appointed his successor with whom he will visit his central western agencies.

In line with the policy to show recognition to the younger men on the staff, the company named three assistant secretaries, T. F. Allen, G. S. Christie and S. C. Ritchie, who have been with the company some years. H. L. Wilkens becomes treasurer.

### Comments on the Figures

President Lane Has Put the Fire Association on a Bed Rock Basis Financially

President Lane of the Fire Association in announcing its annual statement shows assets \$25,723,903, premium reserve \$12,101,547, capital \$5,600,000, net surplus \$5,523,951. He states that two influences had an effect on the Fire Association operations. There were the adverse general business circumstances and the change in management of the company. President Lane concluded to hew to the core and did not hesitate to chop off all excrescences and doubtful items. The assets decreased \$3,799,089 and the surplus \$4,652,775, arising as follows:

Revaluation of Stock, the Esto Real Estate Corporation (home office building, 401 Walnut street, Philadelphia). (This values the home office property at \$1,500,000 compared with cost of \$3,000,000)	\$1,309,250
Decrease in book value of Constitution Indemnity shares.. (Ninety-four percent of the stock of this company is owned by Fire Association)	737,625
Decline in market value of other investments .....	1,313,795
(Prices current at Dec. 31, 1930)	
Dividends .....	1,131,513
Assets of questionable value charged off .....	159,427
Miscellaneous .....	1,163
Total .....	\$4,652,774

President Lane states that through assumption by reinsurance from the Victory and Reliance, the Fire Association premiums showed an increase with a consequent advance in unearned pre-



### Announces

Removal of Its Home Office  
to  
A-1159 Insurance Exchange

175 W. Jackson Blvd.  
Harrison 3385  
Chicago



mium reserve of \$786,412. However, the total fire premium revenues show a decrease of \$1,401,268, about 11 percent. The income from investments amounted to \$1,174,193 against dividends of \$1,131,513 declared. The current rate of dividend calls for \$896,000. President Lane states that important reductions in administrative expenses were effected during the closing months of the year but they did not materially affect last year's operating results. He states that the executives are addressing themselves with determination to practical economies and sound business growth. Under the guidance of President Lane the Fire Association group will work itself out satisfactorily.

### Mitchell's Contention Upheld

**Federal Circuit Court Sustains His Right to Serve as Receiver of Lumbermen's Reciprocal Association**

SAN FRANCISCO, Feb. 25.—The United States circuit court has upheld Commissioner E. F. Mitchell of California, ruling that he should be the receiver for the Lumbermen's Reciprocal Association which failed last July. A lower federal court in San Francisco had appointed Samuel Shortridge, Jr., receiver despite the fact that Mr. Mitchell showed California law provides for the insurance commissioner to act in such cases.

This court issued an injunction restraining Mr. Mitchell from interfering with the receiver appointed by it, and the commissioner carried the case to the higher tribunal with success.

### Kansas City Fire & Marine

KANSAS CITY, MO., Feb. 25.—The Kansas City Fire & Marine, organized late in 1929 by R. B. Jones & Sons and associates, in its financial statement covering the first full year of operation shows gross premiums \$400,786. A quota of \$400,000 was set for the year. Assets are \$1,183,535, an increase of \$117,694.

Despite the necessity of allocating a large part of the premiums written to unearned premium reserve, the company added \$10,009 in earned surplus and set up a voluntary reserve of \$10,000.

Development of Illinois is now under way, and intensive development of Kansas and Missouri is to be continued.

### FIELD CHANGES

#### L. E. Zell Takes Dakota Field

**Transferred From Minnesota, Wisconsin by Hanover to Succeed M. G. Hagen, Resigned**

The Hanover announces the appointment of Leonard E. Zell as state agent in North and South Dakota to succeed Melvin G. Hagen, who resigned recently. Mr. Zell has been continuously associated with the Hanover during his entire insurance career. After receiving training in the western department office, including experience as examiner, he was assigned to field work in Minnesota and northern Wisconsin, territory which he has traveled during the last seven years.

Mr. Zell's headquarters will be at 19 Broadway, Fargo, N. D.

#### Goes Into Adjusting Work

**B. J. Morgan Who Resigns from the Westchester Opens Claim Office at DeKalb, Illinois**

B. J. Morgan of DeKalb, Ill., who has resigned as state agent of the Westchester, Western of Ontario, British American and Delaware Underwriters

in western Illinois, is opening an adjusting office to cover northern Illinois and southern Wisconsin for fire, tornado and automobile losses with headquarters at DeKalb. He served the Westchester for 18 months in Illinois. Prior to that he was with the Security of New Haven for a number of years. Mr. Morgan entered his business career in architectural and building lines, getting practical experience as an engineer. In 1912 he went with the Chicago Board and had an all-round experience with that organization.

#### Fidelity & Guaranty Fire

The Fidelity & Guaranty Fire announces that West Virginia, formerly

supervised by E. A. Porter, state agent at Pittsburgh, and the District of Columbia, formerly supervised from the home office, have been turned over to H. S. Nulton, state agent. Mr. Nulton has been supervising Virginia. Mr. Porter will retain charge of western Pennsylvania.

#### A. F. Nelson

A. F. Nelson of Kansas City, who has been special agent of the North America group under State Agent Ramseyer, is being transferred to eastern Missouri and will travel out of St. Louis. He took the Northwestern University insurance course at Chicago and

was in the western department of the North America before entering the field.

#### Sign Up 85 Percent

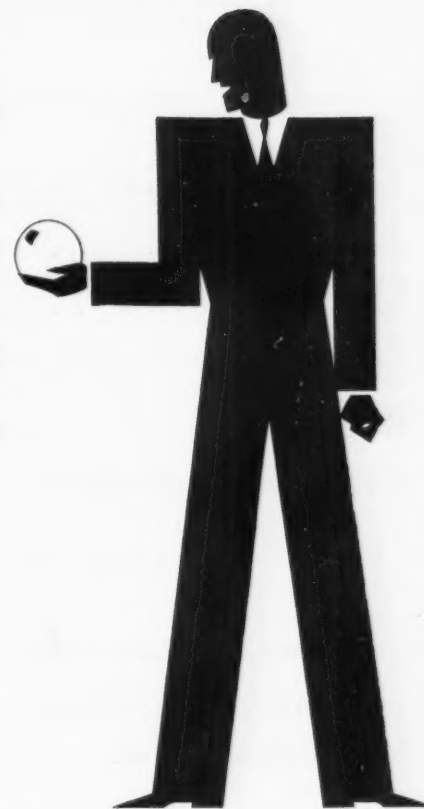
MILWAUKEE, Feb. 25.—P. E. Rudd, Blue Goose, grand wielder and insurance secretary, has reported that approximately 85 percent of the former insured members of the order have paid their life insurance dues for the six months ending July 1, 1931. A drive is being made in February to secure payment from the formerly insured members who have not to this date paid their insurance dues.

## IT PAYS TO LOOK INTO THE FUTURE ♦ ♦ ♦

In these days of intense competition a company writing all the varied fire and marine lines is a necessity. The successful agent capitalizes on the so-called side-lines using them as an entering wedge for new business and holding old business.

On the other hand the local agent whose premium income is dependent on one line is at a disadvantage in case of business depression while the multiple-line insurance agent will not feel it as much. His business is diversified.

Since no agent can be a specialist in these many side-lines the wise agent selects a company eager to render competent assistance in selling these various covers. To this end we publish THE ACCELERATOR. Each issue is filled with clear explanations of our various policies, specific selling ideas, window displays, newspaper advertising and direct-by-mail. Write to our Advertising Department for a sample copy.



## BOSTON INSURANCE COMPANY OLD COLONY INSURANCE COMPANY

87 KILBY STREET, BOSTON, MASSACHUSETTS



### John R. Dumont Honor Guest at Denver Function

DENVER, Feb. 25.—John R. Dumont of New York, president of the Interstate Underwriters Board, will be an honor guest Friday at a meeting of the fire insurance general agents of Colorado, Wyoming and New Mexico in Denver. A meeting has been called by Secretary Karl Eppich in order that the members may meet Mr. Dumont who will stop in the city for a conference with Herbert Cobb Stebbins of Cobb, Miller & Stebbins, general agents. He will attend a meeting of the Fire Underwriters Association of the Pacific Coast in San Francisco next week, and will be accompanied on the trip by Mr. Stebbins, Clarence Cobb, and W. L. Braerton, all Denver general agents.

H. C. Conick of New York, manager of the general floater department of the Royal-Liverpool & London & Globe

group, was also in Denver this week en route to San Francisco where he will attend the meeting of the Pacific Coast Fire Underwriters Association. He will also visit agencies in that territory. Mr. Dumont accompanied him westward from Lincoln, Neb., where he went last week. Mr. Conick joined the Denver party going to San Francisco.

### Experienced Marine Man

R. D. Sullivan, recently appointed manager of the Chicago branch office of the Marine Office of America to be opened March 1, has been connected with the organization for five years, recently as inland marine underwriter. He is a graduate of Annapolis and saw service as commander of a destroyer. He entered the merchant marine service, then took a post graduate course in business administration at Harvard, going with the Marine Office of America. The Firemen's of Newark is among the companies represented by the office.

## United States Merchants & Shippers Insurance Company

8 South William Street } NEW YORK  
44 Beaver Street }

### Financial Condition, January 1, 1931

Admitted Assets.....	\$6,565,762.78
Liabilities.....	3,786,619.44
Capital.....	1,000,000.00
Net Surplus.....	1,779,143.34
<b>Surplus to Policyholders</b>	<b>\$2,779,143.34</b>

### Marine and Automobile Departments:

APPLETON & COX, Inc., Attorney  
8 South William Street New York

### Fire Department:

CRUM & FORSTER, General Agents  
110 William Street New York

### Boyd Made Assistant Agency Superintendent

W. E. Boyd, Jr., supervisor of agency field service of the Travelers Fire, has been appointed assistant superintendent of agencies with direct supervision over the New York and Boston territories. Mr. Boyd has been connected with the Travelers Fire since May, 1925, and has been in the Home office as supervisor of agency field service since July 1, 1927. His first insurance service was as an engineer in New York State for the Underwriters Laboratories. For three years he was in the electrical and engineering department of the Underwriters Association of New York. In 1915 he became a special agent of the National Fire for western New York, in which position he continued until 1921 when he became vice-president of Park Thomas & Co., an agency in Buffalo.

For two years Mr. Boyd served as manager for the Travelers Fire in the Buffalo territory.

### Henry Rieman Goes With Garrett General Agency

Henry Rieman, assistant secretary of the American Central of St. Louis and connected with that company for 35 years, has joined the general agency of T. W. Garrett, Jr., in Kansas City as vice-president and general manager.

The Garrett agency represents the American Fire & Marine, Richmond, American Indemnity, La Salle Fire, Industrial of Dallas, and Central Surety in Missouri, and the East West, Almannia and Camden in Kansas. Prior to forming the agency Mr. Garrett was state agent for the Northwestern National and National Union.

Mr. Rieman joined the American Central as a minor clerk in 1896 and traveled for that company as special agent and state agent for many years. In 1920 he was called into the home office as assistant secretary in charge of underwriting for all of the states west of the Mississippi river and the western Canadian provinces.

### South Carolina Proposes Increased Premium Tax

The ways and means committee of the South Carolina house reported favorably house bill 355 to give an additional 1 percent tax on insurance premiums excepting domestic companies. At a hearing last week protest was voiced by insurance men and other citizens. The committee was told that this bill was the same as that passed in 1930 and vetoed by the governor because of an error in its drawing. Companies already pay 2 percent of their gross premiums. The retaliatory feature was strongly stressed. A number of company executives were present, including those from South Carolina, all opposing the measure.

### New Jersey Local Agents Get High Grade Speakers

At the meeting of the New Jersey Association of Underwriters at Trenton Friday, H. B. Nelson, president, will preside. Among the speakers are General Manager Beha of the National Bureau of Casualty & Surety Underwriters, Vice-President L. E. Falls, American; Insurance and Banking Commissioner F. A. Smith; H. G. Hoffman, commissioner of motor vehicles; L. A. Watson of the Schedule Rating Office of New Jersey, and A. W. Lawrence, chairman of the Compensation Rating & Inspection Bureau of New Jersey.

H. F. Gregg of New York City, superintendent of agencies in the western department of the Royal group, is on a western trip, having been in Michigan last week and Wisconsin this week.

### INSURANCE STOCK QUOTATIONS

By H. W. Cornelius & Co., 105 South La Salle St., Chicago, as of Feb. 24

Stock	Par	Share	Div. per	Bid	Asked
Aetna Cas. ....	10	1.60	85	90	
Aetna Fire.....	10	2.00	51	53	
Aetna Life.....	10	1.20	59	61	
Agricultural ....	25	1.00	100	110	
Amer. Alliance..	10	1.60	25	27	
Amer. Equit....	5	1.20	9 1/2	11 1/2	
American, N. J..	5	1.00	18	20	
Amer. Reserve..	10	3.00	29	31	
Amer. Reins. ...	10	3.00	43	47	
Amer. Surety ...	25	6.00	86	91	
Automobile ....	10	1.20	30	32	
Baltimore Amer.	5	.80	14	15	
Bankers & Ship.	25	3.50	95	105	
Boston ....	100	16.00	575	600	
Brooklyn ....	5	1.20	12	14	
Carolina ....	10	1.50	27	29	
Camden ....	5	1.00	21	23	
City of N. Y....	100	16.00	275	300	
Continental Cas.	10	1.60	34	35 1/2	
Continental, N. Y.	10	2.40	50	52	
Fidelity & Dep..	50	9.00	160	165	
Fidel. Phenix..	10	2.60	55	57	
Fire Assn. ....	10	1.60	23	24	
Firemans Fund.	25	5.00	86	89	
Firemen's ....	10	2.20	28	30	
Franklin ....	5	1.60	28	30	
Glens Falls....	10	1.50	50	54	
Globe & Rutgers	100	24.00	675	700	
Great Am. Fire..	10	1.60	29	31	
Great Am. Ind..	10	...	23	26	
Great Lakes ....	10	1.00	8	10	
Halifax ....	10	1.20	21	23	
Hanover ....	10	1.60	39	41	
Harmonia ....	10	1.50	27	29	
Hartford Fire ..	10	2.00	65	67	
Home F. & M....	10	2.00	33 1/2	35 1/2	
Htfd. St. Boiler.	10	1.60	59	63	
Home, N. Y....	10	2.00	37	39	
Home Fire Sec..	10	...	8	9 1/2	
Homestead ....	10	1.00	20	22	
Import. & Exp..	25	4.00	32	36	
Independ. Indem.	5	...	5	6	
Independ. Fire ..	5	...	6	6	
Ins. Co. of N. A.	10	*2.00	61	63	
Knickerbocker ..	5	1.50	17	20	
Lincoln Nat. Life	10	2.50	60	63	
Lincoln, N. Y....	10	2.40	24	30	
Lloyds Cas. ....	10	.60	5	6 1/2	
Majestic Fire ..	10	...	4	5 1/2	
Maryland Cas..	10	*2.00	35	37	
Merchants, Com.	10	2.00	55	60	
Merchants, Ftd..	100	7.00	110	114	
Merch. & Mfrs..	5	...	11	14	
Metropol. Fire ..	10	1.00	8	10	
National Cas....	10	1.20	19	23	
National Fire...	10	2.00	60	62	
National Liberty	5	.50	9	10	
National Surety.	50	5.00	59	61	
National Union.	100	12.00	150	160	
New Brunswick.	10	1.50	26	28	
New Hampshire.	10	*1.60	46	50	
Northern, N. Y..	25	4.00	70	80	
North River....	10	2.00	46	50	
N. W. National..	25	5.00	104	110	
Occidental ....	10	...	18	23	
Pacific Fire ....	25	6.00	110	120	
Peoples Natl. ...	5	.50	8	9 1/2	
Phoenix ....	10	2.00	71	73	
Preferred Accl..	20	3.00	47	52	
Prov. Wash. ....	10	2.20	52	54	
Republic Fire...	10	2.00	14	16	
Rossia ....	10	2.20	25	27	
Springfield ....	25	4.50	112	118	
St. Paul F. & M.	25	6.00	172	178	
Sun Life ....	100	*25.00	1600	1700	
Transport. Indem.	10	...	8	9	
Travelers ....	100	*24.00	1050	1070	
U. S. Casualty..	25	4.00	50	55	
U. S. Fid. & Guar.	10	2.00	36	38	
U. S. Fire ....	10	2.40	55	60	
U. S. Mer. & Sh.	100	16.00	315	335	
Westchester ....	10	*2.50	48	50	

\*Extra dividend paid.

### SON OF RICKARDS IS TAKEN CAPTIVE BY REBELS

Word has reached Chicago that B. D. Rickards, son of E. L. Rickards, secretary in Chicago for the National Automobile Underwriters Association, is being held captive by rebel troops at Arequipa, Peru. Mr. Rickards was arrested by the rebels when he landed the plane for the Pan American Air Line, which he has been flying between Lima, Peru and Arica, Chili. According to newspaper reports young Rickards is well but there is no indication of how long he may be held. He was alone in the plane when he landed at Arequipa. He was formerly a pilot for the Western Air Fast Express.

H. C. Parsons, who has entered business as a public adjuster at 566 Insurance Exchange, Chicago, will adjust for the assured. An announcement last week stated that he would be an independent adjuster for the companies. He will operate under the name of H. C. Parsons Adjustments, being associated with his father, T. C. Parsons.

## AS SEEN FROM CHICAGO

### SAVINGS SOCIETY MEETING

The annual meeting of the Compulsory Saving Society is to be held March 23 in the Chicago Board rooms with President C. W. Higley presiding.

### OIL ASSOCIATION MEETING

The annual meeting of the Oil Insurance Association was held in Chicago last week with President C. R. Tuttle of the North America presiding. Reports of various committees were presented and details regarding the activities of the association during the preceding year were submitted by Manager H. M. Carmichael. A satisfactory year was reported considering the sharp decline in oil prices. All of the old officers were reelected. E. A. Henne was placed on the executive committee in succession to J. R. Wilbur, who recently retired as vice-president of the America Fore group.

### FIRE ASSOCIATION CONFERENCE

The Fire Association is holding in Chicago a conference of all field men who report to Manager A. F. Powrie. The conference will be attended by home office officials among whom are President Lane, Vice-President Maconachy and Secretary Herd. The Constitution Indemnity, casualty running mate, is represented by Franklin Vanderbilt, vice-president and general manager.

### CHICAGO BOARD COMMITTEES

President P. B. Hosmer of the Chicago Board has announced his committee appointments. Chairmen of the various committees, who served last year, are retained except that Vice-President L. E. Yager is made chairman of the budget and finance committee in the place of Mr. Hosmer and A. O. Burdick is chairman of the patrol committee instead of G. R. Bowman. R. I. Read is chairman of the fellowship committee; Dwight Ingram, membership; G. R. Roberts, public relations; C. E. Rollins, Jr., sprinklered risks; W. C. Gielow, clearing house; Raymond Kirk, fire department.

### MARINE OFFICE QUARTERS

Quarters have been secured for the department of the Marine Office of America, which will be opened in Chicago, in A-1724 Insurance Exchange building. The expectation is that the office will be opened March 1. R. D. Sullivan of the New York department will be in charge.

### WHEELER CHICAGO BOARD MEMBER

The Class 1 membership of Roy E. Wheeler, resident partner of R. B. Jones & Sons of Kansas City, has been approved by the Chicago Board.

### JOINS GREAT AMERICAN

Ben Schulze of the Chicago Fire & Marine, who was at one time president of the Examiners Club of Chicago, is to become associated with the western department of the Great American. Mr. Schulze has also served in the offices of the Westchester, Providence Washington, Firemen's of Newark and Northern of England.

### VALIDITY OF TAX UPHELD

The Illinois supreme court has upheld the constitutionality of the net receipts tax on foreign fire insurance companies doing business in Illinois. The decision was rendered in the case of the Franklin National, after Attorney Fred D. Silber had contended that the tax was unconstitutional because it was not assessed against foreign unincorporated organizations, which are competing with foreign stock companies.

Mr. Silber announces that he will file a petition for a rehearing.

Although declining to concur in Mr. Silber's argument as to the unconsti-

tutionality of the tax, the supreme court did reverse the judgment against the company on the ground that the lower court allowed interest. Mr. Silber has not yet tried the merit of the taxes against the companies, which have not compromised the assessment. He plans to argue that point on the theory that the board of review of Cook county disregarded the returns of the companies in making the assessment.

The Franklin National case was one of 14 filed by Mr. Silber's firm with a view to carrying to the United States Supreme Court the question of whether section 30 is unconstitutional in the light of the United States Supreme Court ruling in the Quaker City Cab Company case that foreign corporations cannot be discriminated against in favor of domestic corporations. It is a part of the litigation surrounding the Hanover case, which was instigated by a tax ferret, the Franklin National being one of the companies which refused to compromise with city and county authorities in the settlement of that case several months ago.

### CHICAGO F. & M. AUDITOR

M. J. McMahon of the Aetna has been appointed auditor for the Chicago Fire & Marine to take the place of Thomas O. McClure. Before joining the Aetna, Mr. McMahon served with the Providence Washington and before that with the Northern of London.

### INSURANCE STOCK COMMENT

Commenting on the insurance stock market situation, H. W. Cornelius of Chicago says:

"Insurance stocks were firm and higher the past week and a number of stocks showed substantial gains. The Hartford company stocks were extremely active. The advance in bank stocks together with the rise in the stocks on the big board, contributed to the strength in the insurance stocks. The following issues represent the ones most actively traded in: Hanover Fire, Travelers, Boston, Aetna Life, Aetna Fire, Aetna Casualty, Fidelity & Deposit, Glens Falls, Fire Association, National Surety, Rossia and Continental Casualty."

### AGENCY'S TITLE CHANGED

A news item referring to the change of name of Luttrell, Newhouse & Sayre, through a typographical error made this title appear "Newhouse & Thayer." This is the eastern general agency of the marine department of the Home of New York and the Halifax, located in A-1318 Insurance Exchange, Chicago. It handles all territory east of the Mississippi with the Halifax for inland marine and the Home for all risk. The agency was organized about two years ago in New York and the Chicago office has been open a year. Rapid strides have been made largely due to the fact that the members of the organization have been in the all-risk business since the beginning of this cover in this country. R. J. Newhouse and H. E. Sayre are the heads, remaining in the New York office at 45 John street. R. M. Simpson is western department manager and F. B. Rowe, associate.

### NORTH TO HOLD RECEPTION

The handsome and commodious new offices of the Thomas T. North Adjustment Company in the Insurance Exchange building will be formally opened Feb. 27 with a reception. In addition to the Chicago staff of the North office, visitors will have an opportunity to meet the branch managers of the company from three other cities—J. L. Valentine, Indianapolis; A. E. S. Prior, Milwaukee and Howard Kopf, Davenport, Ia.

Since entering the business as an automobile adjuster 20 years ago, as one of the pioneers in the line, Mr. North has

## NEW HAMPSHIRE FIRE INSURANCE CO. MANCHESTER, N.H.



### SIXTY-FIRST ANNUAL STATEMENT January 1, 1931

Assets	
United States Bonds.....	\$3,213,000.00
State and Municipal Bonds and Stocks.....	12,104,678.97
Canadian Bonds, Government and Municipal.....	276,930.00
Foreign Bonds .....	122,100.00
Real Estate .....	381,500.00
Agents' Balances .....	821,929.20
Accounts Receivable .....	202,787.33
Cash in Banks .....	627,252.47
	<hr/> \$17,750,177.97
Liabilities	
Capital Stock .....	\$3,000,000.00
Unearned Premium Reserve .....	5,212,038.21
Reserve for Losses .....	635,810.66
Reserve for Taxes and Other Liabilities.....	371,075.65
Reserve for Dividends Declared and Unpaid.....	150,514.44
Net Surplus .....	8,380,739.01
	<hr/> \$17,750,177.97

**POLICYHOLDERS' SURPLUS \$11,380,739.01**

AFFILIATED COMPANY

**Granite State Fire Insurance Company**  
Portsmouth, N. H.



## Our Service Satisfies

ONE of the large and progressive insurance companies recently extended its subscription and wrote us:

"We have every reason to believe our subscription to the work in West Virginia will be permanent because your reports have been found to be very valuable in the other states of this division."

Our list of subscribers includes most of the representative stock insurance companies, using our service in part or all of the districts. Inspection service to fire insurance companies for more than 25 years.

Operating in the following 14 states:

Michigan	Tennessee
Indiana	Ohio
Kansas	Nebraska
Wisconsin	Oklahoma
Illinois	Missouri
Kentucky	and
Minnesota	West Virginia
Iowa	

**National  
Inspection Co.**  
Incorporated 1903  
176 West Adams Street  
CHICAGO

Managed by  
J. G. Hubbell H. B. Chrissinger R. L. Thiele

1805 - 1931

# Caledonian Insurance Company

*The Oldest Scottish Insurance Office*

**Caledonian-American  
Insurance Company of New York**

ROBERT R. CLARK,  
U. S. Manager and President

**THE NETHERLANDS INSURANCE COMPANY OF  
THE HAGUE, HOLLAND**

Est. 1845

ROBERT R. CLARK, U. S. Manager

EXECUTIVE OFFICES: HARTFORD, CONN.

developed one of the largest organizations of its kind in the country. As an automobile mechanic, Mr. North was impressed with the opportunity for specialists in automobile adjusting and he has fully realized his vision of the possibilities of the business.

Since founding the Thomas T. North Adjustment Company, Mr. North has moved six times, each time because of the necessity for larger space. His office now is located at A1803 Insurance Exchange where the layout has been especially arranged for the convenience of the large staff of adjusters and office employees. Besides Mr. North's own private office, which is richly decorated, private offices are occupied by Manager Ray M. Todd and C. J. Peterson, head of the liability department.

The North company is now equipped to handle adjustment of all lines, except those claims originating under the standard fire policy. Last year the numerous offices of the North organization handled 10,000 claims.

### BECOME CLASS 1 AGENTS

Cloidt, Gielow & Dudley have been appointed Class 1 agents for the Importers & Exporters in Chicago. This gives the Importers & Exporters its full line-up of Class 1 agents. The other three agencies are Herrick, Auerbach & Vastine, Eliel & Loeb and John I. Naghten.

### INSURANCE CLUB TO MEET

The Insurance Club of Chicago is to meet in the club rooms in the Insurance Exchange Thursday noon to hear an address on plans for the 1933 world's exposition by Dr. R. P. Shepherd, chairman of the committee in charge of the fair. The talk is to start at 1230 p. m., following lunch.

### WILL PREPARE A PROGRAM

President Street of the Western Underwriters Association has appointed the committee on order of business for the annual meeting at Chalfonte-Haddon Hall, Atlantic City, April 21-22 as follows: W. P. Robertson, North America, chairman; S. M. Buck, Fireman's Fund; J. R. Cashel, Providence Washington; C. N. Gorham, American; B. L. Hewitt, Boston and Old Colony; A. F. Powrie, Fire Association.

### WESTERN & SOUTHERN JOINS

The Western & Southern Fire of Cincinnati is entering the Western Underwriters Association. W. C. Safford, vice-president and general manager was formerly Ohio insurance superintendent.

### GRISWOLD IN NEW POST

Glenn Griswold, editor of the Chicago "Journal of Commerce," who has spoken before insurance meetings and is well known to a number of insurance men, has left that publication and become head of the publicity and public relations department of the Utilities Power & Light Co. of Chicago and the Fox Film Company.

### STOKER IN FLORIDA

Dee A. Stoker, reinsurance underwriter of Chicago, is spending the winter in St. Petersburg, Fla., with his wife. Wintering in the "Sunshine City" is becoming a habit with Mr. Stoker. This is his fourth successive winter in Florida. This year he came out first in the shuffle board tests for his state, Illinois, scoring 89; his nearest competitor scored 59.

### GLIDDEN BACK ON JOB

J. S. Glidden, associate manager of the Chicago Board, has returned to his desk after two weeks' absence because of illness. He was in a hospital for several days and spent the remainder of the time at his home.

### Regulatory Bill Killed

SAN FRANCISCO, Feb. 25.—The business regulatory bill introduced in the California legislature by Sen. Jack Inman, which threatened the existence

of the Pacific Board, has been abandoned by its author who will seek to have it killed in committee, it was announced Tuesday.

### Will Meet in Louisville

LOUISVILLE, Feb. 25.—The Kentucky Association of Insurance Agents executive committee, meeting in Louisville decided that the next annual meeting be held in Louisville in June, but the exact dates were left open.

G. S. Yeargan, secretary of Trinity Fire of Dallas, is visiting G. A. Mavon & Co., Cook county and Chicago managers.

## Notice to Bidders Insurance on Bridges

Sealed proposals will be received by the State Highway Commission of Kentucky at the office of the Commission in Frankfort, Kentucky, on the 25th day of March, 1931, until two o'clock P. M., at which time they will be opened and publicly read, for insurance policies on the following bridges now being constructed, to-wit:

### TOLL BRIDGE PROJECT NO. 1

Cumberland River Bridge (North Fork) at Burnside  
Kentucky River Bridge at Boonesboro  
Kentucky River Bridge at Tyrone  
Green River Bridge at Spotsville  
Cumberland River Bridge at Canton  
Tennessee River Bridge at Eggnor's Ferry  
Tennessee River Bridge at Paducah  
Cumberland River Bridge at Smithland.

### TOLL BRIDGE PROJECT NO. 2

Ohio River Bridge at Maysville.

### TOLL BRIDGE PROJECT NO. 3

Ohio River Bridge at Ashland.

The risks to be insured are as follows: against damage by fire and lightning, tornado and wind, earthquake, flood, rising waters, ice, collision, collapse, riot, strike, civil commotion, malicious damage and explosion. The amount of insurance desired on the bridge or bridges in each project is the full amount of the insurable value thereof, or the principal amount of the bonds issued and outstanding for the account of such bridge project, whichever may be the lesser.

Proposals may be submitted for insurance on any one of the bridges, on all of the bridges in any one project, or on the entire group of bridges as a whole, as the bidder may desire. Bids may be submitted for the policy or policies for a term of one, three or five years. Proposals, will be received only from insurance companies authorized and qualified under the laws of the Commonwealth of Kentucky to assume the required risks, and no company shall submit more than one bid. Provided, however, that any company may submit a bid covering all or any of the alternatives above specified.

The successful bidder or bidders will be paid the premium or premiums through the local agent or agency designated by the bidder in its proposal, who or which agency must be duly qualified and licensed under the laws of Kentucky.

Proposal forms, form of policy and full information will be furnished prospective bidders upon application to The State Highway Commission of Kentucky, Frankfort, Kentucky. Plans and specifications for each of said bridges may be examined at the office of the Commission at Frankfort, Kentucky. The right is expressly reserved by the Commission to reject any and all proposals.

THE STATE HIGHWAY COMMISSION OF KENTUCKY

### COOK COUNTY SPECIAL AGENT

Wanted by an old established American fire insurance company. State qualifications. Excellent opportunity for right party. Address S-83, care The National Underwriter.

### ADVERTISING MANAGER

Wishes to negotiate with the principals of fire or casualty companies relative to agency and sale development. 12 years experience in advertising, direct mail, salesman training; thorough knowledge of general agency problems. Will submit definite plan after interview. Address S-87, The National Underwriter.

### Manager for Underwriting Department

Competent, single woman, with proven executive ability, to take complete charge of Underwriting Department in General Agency, writing all forms of insurance. Must have thorough knowledge of policy writing and application of rates. Moderate starting salary with excellent opportunity for advancement. Apply by letter, giving age, complete details of experience, and references. Address S-91, The National Underwriter.

### Farm Examiner Wanted

Wanted a thoroughly experienced Farm Examiner with Home Office training, who has also had training as Farm Special. Please reply in longhand stating experience and qualifications, also giving references. Address S-75, The National Underwriter.



## VIEWED FROM NEW YORK

By GEORGE A. WATSON

### MUST RECREATE A STAFF

G. S. Van Schaick of Rochester, recently nominated as insurance superintendent of New York in succession to the late T. F. Behan, is an entire stranger to the underwriting fraternity in the metropolis. They are yet willing to accept the judgment of the governor, himself an insurance man and with full appreciation of the importance and responsibilities of the office.

It is recalled that J. A. Beha was an unknown so far as underwriters were concerned, when he was named as superintendent in 1924, as a compromise between warring political factions, and yet Mr. Beha made an enviable record in office.

Those who attended Yale with Mr. Van Schaick remember him as a serious minded student, and one who gave little thought to political affairs. By virtue of deaths and resignations both the chief office of the department at Albany and the branch in New York City have been sadly depleted in recent years. The new superintendent will find it necessary to recreate a staff before he is able to take up many departmental new problems.

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### WENTWORTH TO BROADCAST

F. H. Wentworth, managing director National Fire Protection Association, is to speak on individual liability for preventable fires over the network of radio station WJZ of the National Broadcasting Company, New York, Feb. 24, at 6:20 p.m.

This suggests that the National Fire Protection Association may renew in hte near future its effort of some years ago to secure the passage of laws and ordinances designed to fix the cost of extinguishing fires upon persons disobeying fire prevention orders.

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### JOHN THOMAS TO GO TO BRAZIL

J. M. Thomas, vice-president of several of the Home group companies, plans sailing for Brazil on a business trip Feb. 20.

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### BLUE GOOSE TO ATTEND

One or more tables will be reserved for members of the New York City pond of the Blue Goose planning to attend the anniversary dinner of the Insurance Society of New York at the Hotel Astor the evening of Feb. 26.

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### MIDDLETON IN SOUTHWEST

Elliott Middleton, secretary of the United States branch of the Sun of London, is on an agency trip through the southwest, planning to be away until the middle of March.

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### MIGRATE TO NEW YORK

D. E. Monroe, vice-president and secretary of the American Central of St. Louis, is the third official of that company to have located in New York City within the past few years, having been preceded to the metropolis by W. A. Blodgett, now a member of Fred S. James & Co., and by H. M. Hess, recently actuary of the National Board and now manager of the New York Fire Insurance Exchange. Though not generally known, it is a fact that the late George T. Cram, while president of the American Central, seriously considered at one time the question of transferring the home office of the company to Hartford, holding the laws of Connecticut were far more liberal in their treatment of insurance interests than were those of Missouri.

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### JANUARY FIRE LOSS

The January fire loss, according to the National Board, is \$44,094,049 as compared with \$42,344,035 the year before and \$44,713,825 in 1929. In January there were 448 fires as recorded by the New York "Journal of Commerce" where

the loss exceeded \$10,000. These fires totaled \$24,398,000.

Among the larger fires in January were the Jersey City freight terminal, \$1,000,000; printing plant, etc., at Baltimore, \$50,000; upholstery mill, Philadelphia, \$200,000; tannery, Isleton, Cal., \$175,000; tannery, Wallend, Tenn., \$500,000; hotel, etc., LaGrange, Ga., \$650,000; warehouse, Philadelphia, \$300,000; porcelain plant, East Liverpool, O., \$1,000,000; college building, Cambridge, Pa., \$1,000,000; courthouse, Anniston, Ala., \$150,000; tannery, Olean, N. Y., \$750,000; office buildings, Winnipeg, Man., \$500,000; church, St. Valier, Que., \$300,000; rubber specialty factory at Lisbon, N. J., \$175,000; theatre, New York City, \$500,000; dry goods store, Boston, \$300,000; department store Cedar Rapids, Ia., \$400,000; department store and other risks, Tyler, Tex., \$200,000.

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### FIRE PREVENTION GUIDE

A pamphlet, "A Fire Prevention Guide for Chambers of Commerce," has been issued by the National Fire Waste Council.

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### DEPRESSION CRISIS IS PAST

Fire company officials continue to scan the business horizon anxiously in search of tangible evidence of returning prosperity. Although indications have been faint, the recent up-swing of market values recorded on the New York Stock Exchange is regarded as a good omen. A more substantial basis for the belief that things are brightening was that given by an agent of a mid-western town some days ago, who reported that his premium collections in January were 50 percent larger than for the corresponding month of 1930, and that the money was obtained with less effort. From various centers in the south comes news of the opening of plants that have been idle for months. While these are operating with limited forces, the fact that they are working at all is indicative of the faith manufacturers have that the crest of the depression period has passed, and from now on steady although slow improvement may be looked for.

### Virginia Agency Cautions Against Vacancy Permits

Care in granting vacancy permits is urged on Virginia and North Carolina agents by the L. E. English general agency of Richmond, Va. The agency comments:

"Most sections now have a surplus of dwelling houses and other buildings. The depression has stopped considerable buying of property and in consequence numerous properties that would have occupants in normal times are now vacant.

"Several years ago vacant properties in towns and cities were not very undesirable. Our town office has recently paid several claims involving vacant buildings and each case indicated that buildings had been entered by unauthorized persons and through their carelessness or intentions losses resulted.

"A large number of people are drifting around the country. They do not hesitate to use vacant buildings for camping purposes. The bootlegger also finds them most convenient for his operations.

"When vacancy permits are requested it would be well for you to make inquiries whether buildings are securely locked. Where there are a large number of vacant buildings your chamber of commerce should get behind the police department and request vigilance on the part of officers."

Order your 1932 calendars from The National Underwriter. Information free.

## Actual cash value vs guesswork

Actual cash value is not to be confused with guesswork in placing insurance on a property. Guesswork used by so many insurance men does not guarantee that a property will be neither under or over insured. The property owner is uncertain of his protection.

An appraisal by The Lloyd-Thomas Co. accurately determines actual cash value. By knowing this figure it is possible for insurance men to place *just* the right amount of insurance on a property. It will be neither over or under insured. The property owner is adequately protected.

**Insist upon a Lloyd-Thomas appraisal.**

"WHAT IS AN APPRAISAL? — It is a complete classified inventory of insurable property (except stock, merchandise and raw materials). Much item of property is valued at today's cost to replace now. The amount of accrued depreciation is determined and the sound insurable value is given.

"ITS ADVANTAGES—1st—It discovers insurable values that have long been written off the books through unscientific depreciation—2nd—It gives the agent, the insured, and the companies value facts of property. 3rd—It makes for adequate insurance protection, for in nearly every instance it calls for additional insurance."

## The Lloyd-Thomas Co.

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Indianapolis  
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F. R. Ormsby, President  
C. J. Kepler, Treas. and Asst. Secy.

H. Edward Bilkey, Secy.

## Industrial Fire Insurance Co.

Akron, Ohio

January 1, 1929

Capital \$500,000

Surplus to Policyholders \$1,013,461

Total Admitted Assets \$2,077,028

An Ohio Company Writing Fire, Windstorm and Automobile Insurance. Why Not Represent an Ohio Company?

**AGENTS WANTED**

## THE NATIONAL UNDERWRITER

Formerly THE WESTERN UNDERWRITER

Published every Thursday by THE NATIONAL UNDERWRITER COMPANY, Chicago, Cincinnati and New York. EDWARD J. WOHLGEMUTH, President; JOHN F. WOHLGEMUTH, Secretary; HOWARD J. BURRIDGE, Vice-President and General Manager; NORA VINCENT PAUL, Vice-President; WILLIAM A. SCANLON, GEORGE C. ROEDING and O. E. SCHWARTZ, Associate Managers

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PUBLICATION OFFICE, 1946 Insurance Exchange, CHICAGO. Telephone Wabash 2704  
CINCINNATI OFFICE, 420 E. Fourth St., Telephone Main 5781, RALPH E. RICHMAN, Manager  
ABNER THORP, JR., Director Life Insurance Service Dept.

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Entered as Second-class Matter April 28, 1928, at Post Office at Chicago, Ill., Under Act. March 3, 1879

Subscription Price \$4.00 a year; in Canada, \$5.00 a year. Single Copies 20 cents.  
In Combination with Life Insurance Edition, \$5.50 a year; Canada \$7.50



Associated  
Business Papers



National Publishers  
Association

### Following the Old Trodden Road

AT NO other time during the present generation have agents and companies been put to a greater test than the last few years. Many companies and agents departed far from the beaten paths and the roads that were well traveled. There was an orgy of business production accompanied with high pressure methods and high powered financing. Agencies that were conducted in a business-like manner have been bumped unmercifully in many ways. There have been many lessons learned.

Certainly the results show that it does not pay to venture too far from shore. There are certain fundamentals in insurance that must be followed. There is an established cost price. There is a well defined price at which business can be written. There are certain standards of underwriting that have been hewed out of the rock of experience. Agents have been attracted to commissions higher than those usually paid. There have been perquisites and emoluments of various kinds granted. Additional powers have been awarded. There has been a relaxation from the rigid rules that led to certain success. Where either companies or agents departed too far

from the road of experience serious consequences have followed. Those that were content to build for the future instead of the present have come through unscathed or little singed. The farther one wandered into the wilderness the greater has been his punishment.

It has been a trying time for those endeavoring to conduct their affairs conservatively and intelligently to withstand the onslaught of those that through caution to the winds. A number of companies have been ruined and hundreds of agencies had their underpinnings knocked out because they followed strange gods.

These cycles of abnormal business conditions will continue to come. There will be at hand from time to time the tempter. There will be the allurements to make one's fame and fortune quickly. Artificial methods will be used. High stimulants will be resorted to.

Then will come the crash as inevitably as night follows day. There is a safe way to conduct insurance and an unsafe way. One cannot defy the laws of experience and come out whole. It does not pay to play with dynamite, but some never will take heed in time.

### Need for Systematic Sales Effort

EFFICIENT production of business is the determining factor in the life of the American agency system. Except for the one or two owners or leading partners in agencies of the large cities, there has been an amazing lack of concentrated selling attack. These men have seldom given attention to the development of supervised selling in their own offices. Only one agency in the United States, so far as we know, has a recognized, "Director of Production." We know however that the function of such a director is handled in many agencies by one who does not bear such a title. But the fact that in this one field of selling, it is uncommon to find

this title of "Director of Production" or one similar to it, so common in other fields, is a sign indicating how far this idea that production is at the center of things, may still move in the American agency system.

The conscious idea of organized, systematic sales efforts and closely supervised selling is just making an entry into the fire and casualty agencies. We believe that members of the American agency system will find their best protection in giving about 75 percent of their attention to the problem of systematic, organized and supervised selling. They cannot afford to ignore so vital a need.

## PERSONAL SIDE OF BUSINESS

More than 44 years ago Henry V. Ogden, then southern manager, planted the London & Liverpool & Globe in the agency of H. J. Drane at Lakeland, Fla., the first company in that agency and the relation has continued ever since. Celebrating the event, M. S. Reeves, the present southern manager, has just sent Mr. Drane a handsome clock.

Just after the World War Mr. Drane made his son a partner, with agreement that when the elder passed along the name should go on as then named, H. J. Drane & Son. The younger man lived only a short time however, and the father was left to carry on, so that it has been since, and will be to the end of the elder's life, H. J. Drane & Son.

Mr. Drane has served 14 years in Congress from the first Florida district, and is elected for two years more. John K. Wright, who was with him when his son was alive, is in charge of the insurance business.

C. W. Good of Chicago, Illinois state agent of the London & Lancashire group, underwent a serious operation in the Mayo clinic at Rochester, Minn., last week and seems to be recuperating in good shape. He will have to have another operation in a couple of weeks. Mr. Good is one of the veteran field men of the state and has a large number of friends in the territory.

H. V. Smith, vice-president of the Home of New York group, is an accession to the directorate of the Manufacturers Trust Co. of New York, which recently passed into new and strong hands and is now considered one of the most promising financial institutions in the metropolitan zone.

R. W. Prichard, Jr., secretary and manager of the Petersburg Fire, who has been ill for several months with inflammatory rheumatism, is now in Florida, hoping that the warm climate there will improve his health.

D. E. Monroe, vice-president and secretary of the American Central of St. Louis, who in June will become assistant United States manager of the Commercial Union as well, is now located at the headquarters in New York City. Arrangements are in progress for transferring the underwriting and accounting departments of the American Central, a member of the Commercial Union group, to New York March 1, thereby placing the activities of the affiliated companies under strong centralized control.

Friends of C. E. Bleckley, Kansas and Oklahoma state agent for the Rhode Island, and Mrs. Bleckley are congratulating them on the arrival of Dorothy Anne Feb. 20 at Wichita. Both Mr. and Mrs. Bleckley were formerly connected with the Smith, Stone & Snyder agency at Wichita.

S. W. Cook, president Frazier Insurance Agency, Evansville, Ind., is spending a six weeks' vacation in Miami, Fla. He is one of the oldest insurance men in Indiana, having been connected with the farm department of the Fidelity Phenix Fire for 48 years.

A. C. Savage of Des Moines, vice-president and assistant secretary of the Royal Union Life of that city, died at his home last Sunday from a complication of heart and lung trouble. He was 61 years of age. Mr. Savage was formerly Iowa insurance commissioner and since leaving office attended frequently the meetings of the National Convention of Insurance Commissioners. One of his characteristics was wearing a red cravat at all times. He served three years in the Iowa senate. In 1911 he was a candidate for election to the United States Senate, being de-

feated by Senator Cummins. He is survived by Mrs. Savage, a daughter and his mother.

W. D. Serrat, veteran Boston insurance man, is dead. He was in the business for some over 60 years, formerly with Wheelock & Serrat and later head of the firm of William D. Serrat & Son. He was 80 years old.

Gus Roth, well known special agent in the Pacific northwest territory, died suddenly in a Portland hospital Feb. 20, following an operation for appendicitis. Mr. Roth was with the National Liberty in Oregon and Idaho. Previously he had been associated with the London & Lancashire in the same territory.

Finley Lastrapes, for many years connected with the Louisiana Rating & Fire Prevention Bureau, and later special agent for the La Salle Fire, is dead. Mr. Lastrapes retired from active business about three years ago when his health failed.

George W. Blossom, chairman of Fred S. James & Co., Chicago, and Mrs. Blossom are spending the winter in Pasadena. W. E. Higbee, vice-chairman, and his family are at Coral Gables, Fla. F. R. Blossom, vice-president, is at Belle-Air, Fla.

J. G. Smith, 70, for 35 years connected with Trezevant & Cochran, general agents at Dallas, was stricken with a heart attack on a train at Hillsboro and died a few hours later. Mr. Smith was an aduster and was known as "Uncle Joe" to the insurance men of Texas and Oklahoma. He was a brother-in-law of S. P. Cochran, junior member of the firm.

J. A. Richardson, head of E. J. Richardson & Sons, one of the oldest agencies in Maryland, and Mrs. Richardson celebrated their golden wedding anniversary recently. Mr. Richardson is president of the Baltimore Salvage Corps. He has been a leader in fire prevention work for years and is a member of the board of control of the Baltimore Safety Council.

M. C. Heuerman has been elected secretary of the Western National Fire of San Antonio, Tex. He has been executive special agent.

C. F. Sturhahn, president of the Rosia, was host in New York at a dinner in honor of Robert Connew, general manager Royal Exchange of London, who is visiting the United States branch. High executives of a number of outstanding companies were among the 40 guests.

W. H. Lininger of Harding & Lininger, Chicago, western managers of the Springfield F. & M., who has been spending some weeks in southern California, expects to return to his office next week.

John B. Faatz, manager of the New York City office of the Northwestern National, died last week at his home in East Orange, N. J. He had been suffering from pernicious anaemia for some time but was in his office the day before he died. He had been connected with the Northwestern National for 30 years. He was formerly manager of the Northwestern Underwriters Agency at its home office. Prior to that he traveled for the Northwestern National out of Chicago. He entered the service of the company as special agent for Illinois in 1896 and on July 1, 1904, was appointed manager of the Northwestern Underwriters Agency. He was named manager of the New York City office July 1, 1920. Funeral services were held at the home of his sister, Mrs. W. F. Regur, in Summit, N. J., Feb. 20.



Annual Statements, January 1, 1931

# THE TRAVELERS

L. EDMUND ZACHER, President  
HARTFORD, CONNECTICUT

Strength



Stability

## The Travelers Insurance Company

(Sixty-seventh Annual Statement)

**Has (Assets)** . . . . . **\$632,922,943.82**

These funds are in interest-bearing bonds of the United States and other governments (including states, provinces, and cities), in securities of railroads and public utilities, in mortgages on city real estate and farms, in other income-producing hold-

ings, and in cash. While thus held for the protection of the Company's policyholders and their beneficiaries, these funds also supply capital for the maintenance and development of public works, transportation, commerce, agriculture and industry. Of this amount the Company

**Is Reserving** . . . . . **\$585,959,405.04**

Actuarial calculations show that \$569,035,343.89 would be sufficient to meet all obligations under policy contracts and to pay all taxes and discharge all other liabilities which had been incurred prior to January 1, 1931, but on which payment was not

then due. That is the total amount which the insurance laws require. The Company has, however, voluntarily set aside the further sum of \$16,924,061.15, as an additional measure of safety, to care for epidemics, catastrophes and business depressions.

**For the Further Protection of Policyholders** . . . . . **\$46,963,538.78**

This is the sum by which the assets exceed the reserves and all other liabilities and represents \$20,000,000.00 capital and \$26,963,538.78 surplus.

**Life Insurance in Force** . . . . . **\$4,889,122,692.00**

## The Travelers Indemnity Company

(Twenty-fifth Annual Statement)

**Has (Assets)** . . . . . **\$21,411,223.94**

**Is Reserving** . . . . . **\$13,316,383.71**

Of this amount \$11,041,642.11 is for legal reserves and other liabilities and \$2,274,741.60 is special reserve which the Company has voluntarily set aside as an additional measure of safety.

**For the Further Protection of Policyholders** . . . . . **\$8,094,840.23**

This is the sum by which the assets exceed the reserves and all other liabilities and represents \$3,000,000.00 capital and \$5,094,840.23 surplus.

## The Travelers Fire Insurance Company

(Seventh Annual Statement)

**Has (Assets)** . . . . . **\$14,949,240.56**

**Is Reserving** . . . . . **\$10,774,800.87**

Of this amount \$9,808,805.19 is for legal reserves and other liabilities and \$965,995.68 is special reserve which the Company has voluntarily set aside as an additional measure of safety.

**For the Further Protection of Policyholders** . . . . . **\$4,174,439.69**

This is the sum by which the assets exceed the reserves and all other liabilities and represents \$2,000,000.00 capital and \$2,174,439.69 surplus.

**Premium Income, 1930, of The Travelers Companies** . . . . . **\$185,479,005.03**

Life Insurance . . . . .	\$106,119,172.89	Accident and Health . . . . .	\$14,665,831.46
Liability, including Automobile . . . . .	\$24,298,885.72	Fire, Windstorm and Miscellaneous, . . . . .	\$6,399,723.98
Property Damage and Collision . . . . .	\$8,465,217.27	Boiler and Machinery . . . . .	\$1,116,483.37
Automobile Fire and Theft . . . . .	\$1,887,696.92	Burglary and Robbery . . . . .	\$2,492,448.74
Workmen's Compensation . . . . .	\$19,299,299.05	Plate Glass . . . . .	\$734,245.63

**Total Income, 1930, of The Travelers Companies** . . . . . **\$217,278,185.19**

This figure includes premium income and investment income.

**Total Paid to Date in Policy Benefits** . . . . . **\$935,392,788.63**

The portion paid in 1930 required the issuance of more than one million checks and bank drafts. An average of 3,339 a day—Every business day—Fifty-two weeks.

To serve policyholders, promptly and efficiently, no matter where they may be, The Travelers has established throughout the United States and Canada, 223 claim service offices; 1,483 people devote their entire time to this purpose. In addition, thousands of Travelers agents stand ready to render immediate service.

For the prevention of accidents, The Travelers maintains an Engineering and Inspection Division with a personnel of 640. To date the Companies have spent \$27,781,435.68 in such conservation work for the benefit of policyholders.

**MORAL:**  
**Insure in The Travelers**

# FIRE INSURANCE NEWS BY STATES

## OHIO AND WEST VIRGINIA

### Rate Bill Offered in Ohio

**Would Allow Superintendent to Decide Adequacy and Reasonableness—Resolution Proposes Rate Probe**

COLUMBUS, O., Feb. 25.—As an echo of the investigation of Ohio fire insurance rates a couple of years ago, Senator Clark of Urbana has introduced a bill to amend the insurance laws so that the superintendent of insurance should have power to determine whether schedules, rates, forms, rules and regulations are reasonable, adequate or excessive and to require compliance with his decisions. Several years ago, when an investigation of fire insurance rates was demanded, the superintendent contended that he had no authority to go into the matter. The case was taken to the supreme court and an investigation was ordered. Later on a reduction in rates was announced.

Senator Clark also has offered a resolution for the appointment of a committee of three from each house to investigate insurance rates. At first it was believed to apply only to fire insurance rates, now it seems it is to include life insurance rates also. Senator Clark says there is a demand for such an investigation from his section of the state. The report must be compiled by April 15 and submitted to the legislature. The resolution says insurance companies claim to charge as premiums only enough money to pay losses, cover expenses, maintain legal reserves and pay dividends to policyholders and stockholders, but that each year's reports show that large surpluses have been accumulated. There is no authority in law for regulation of rates, so it is declared that an investigation should be made under authority of the legislature.

### Board Sponsors Joint Meet

**Local Agents and Field Men in Cleveland to Discuss Mutual Problems at Luncheon There March 10**

CLEVELAND, Feb. 25.—The Insurance Board of Cleveland will sponsor a joint meeting of local agents and field men March 10. It is believed that such a meeting will afford an excellent opportunity for a discussion of the handling of business in certain sections of Cleveland which have proved very unprofitable to the companies.

Generally speaking, these sections are the older residential sections, which are gradually being turned into business districts. Quite a few companies have been cancelling off business and on the other hand the agents are uncertain as to the attitude of their companies in regard to business generally located in these so-called undesirable districts.

Field men are cordially invited to attend this meeting, which will be addressed by a prominent field man, after which an opportunity for a general discussion will be given. All field men interested have been asked to notify the office of the Insurance Board as far in advance as possible, so that reservations may be made.

### Ohio Mutuals Hold Meeting

The Federation of Mutual Insurance Companies of Ohio, at its annual convention in Columbus this week, asked the National Association of Mutual Insurance Companies to hold its next convention in Columbus. J. F. Mason, Ur-

bana, Ill., president, and Harry F. Cooper, Indianapolis, secretary of the national organization, attended the meeting and spoke. Other speakers included Governor White, Superintendent Warner, Attorney General Bettman, Senator Clark, State Librarian Newman and W. E. Benoy. The federation includes in its membership 137 companies.

The Ohio Mutual Tornado, Cyclone & Windstorm Insurance Association reelected these officers: Gus Seiberlin, Barberton, president; C. B. Teegardin, Duvall, vice-president; G. W. Miller, Bucyrus, secretary, and H. W. Waggoner, Lindsey, treasurer.

### Advertising New Coverage

The Cincinnati Fire Underwriters Association is advertising in the Cincinnati newspapers to bring to the attention of the public the new supplemental dwelling house and contents coverage against loss by aircraft, explosion, hail, motor vehicle, riot and windstorm. This coverage is provided for in the recent changes in the Ohio book of rules. The amount of the coverage under the supplemental contract must be the same as that applying to the fire policy to which it is attached. The rate is 20 cents.

### Western & Southern Appointment

Daniel E. Murphy, an examiner for the Chicago Fire & Marine, is one of the first men to be acquired for the staff of the newly organized Western & Southern Fire of Cincinnati. In addition to the Chicago Fire & Marine, where he has been employed for about one year, Mr. Murphy had six years' experience in the western office of the Westchester and he has also served in the Commercial Union and Fidelity-Phenix. The Western & Southern Fire has strong backing since it is affiliated with the Western & Southern Life and the American Liability & Surety.

### Many on Charter Roll

Founded in 1905, the Ohio Fire Prevention Association included on its charter membership roll, as shown by the original constitution and by-laws, a number of men who have since attained

## President



W. A. EARLS

The governing committee of the Cincinnati Fire Underwriters Association has organized for the current year with W. A. Earls as president and Eugene R. Buss as vice-president. Other members of the committee are J. F. Ankenbauer, C. C. Rothier and J. Gano Wright.

positions of honor in fire insurance. Among the charter members were the following: George H. Bell, manager National of Hartford; H. L. Dalton, who recently retired as assistant manager of the Royal; George K. March, president Detroit National Fire; Fred W. Ransom, assistant manager Providence Washington; Ralph Rawlings, president Monarch Fire. Among veterans on the charter role were J. A. Cloud, J. M. DeCamp, C. T. Deatrick, J. O. Dye, R. T. Huggard, C. L. Hecox, J. P. Singleton.

At the annual meeting of the Cleveland Safety Council W. E. Flickinger, former president of the Insurance Board of Cleveland, was elected vice-president in charge of fire prevention work.

## CENTRAL WESTERN STATES

### Consider Qualification Bill

**All Lines of Insurance Represented at Michigan Conference with Commissioner Livingston**

LANSING, MICH., Feb. 25.—For the first time in Michigan's history, representatives of fire, casualty and surety, life, and health and accident branches of the insurance business met in Lansing last week to discuss the framing of an agents' qualifications bill to be submitted at the current session of the state legislature. Representatives of the different classes of the business, after a round-table conference with Commissioner Livingston, definitely decided that an effort would be made to draft a bill satisfactory to the several branches.

### Livingston Favors Idea

Commissioner Livingston told the group that, while he favored a qualifications law in principle as a means of elevating standards of the business and

excluding the unfit from the agency field, he had no tentative bill prepared but merely wished to hear opinions on the subject and to permit the agency forces themselves to go ahead with outlining a bill satisfactory to all interested parties.

### "Old-Timers Club" Launched

**Organization Formed by Men Identified with Fire Insurance in Indianapolis 20 Years or More**

INDIANAPOLIS, Feb. 25.—At an informal gathering of some 14 of those who have been identified for 20 years or more with fire underwriting in Indianapolis, held in connection with a dinner Saturday evening, was launched "The Old-Timers Insurance Club." L. H. Wolff, for many years Indiana state agent of the Aetna and now retired, conceived the idea and as a result of invitations sent to about 20 persons, the following were present: Mr. Wolff, E. M. Sellers, manager Indiana Inspection

Bureau; O. E. Green, special agent Providence Washington; B. G. Slaymaker, attorney; C. F. Engle, state agent Milwaukee Mechanics; T. R. Dungan, state agent Fidelity-Phenix; D. P. Barrett, state agent Niagara; A. R. Monroe, retired president Newark Fire; E. H. Johnson, special agent Home; J. J. Reilly of Fieber & Reilly, local agents; Robert McHatten, retired state agent of New York Underwriters; H. H. Friedley, adjuster; J. H. Hellekson, state agent Springfield F. & M., and Irving Williams, editor "Rough Notes."

Messrs. Wolff, Slaymaker and Dungan were appointed a committee to draft "simple rules of conduct and guidance." Other members will be added on an eligibility basis of identification for 20 years or more with fire underwriting in some capacity and in Marion county, Ind., at least for the outset. Sociability and the preservation of long established friendships is the main object of the club.

### Unrodded Farmers Fear to Resort to Incendiarism

In view of the figures for the Pioneer Reserve Mutual Fire of Detroit, showing a preponderance of losses on its rodded business in contrast with the unrodded, inquiry was made of Secretary James Slocum as to the reason. He explains that the company's liability at risk on the rodded class is \$21,000,000 while its liability on the unrodded is \$5,000,000. Losses on the rodded class in 1930 were \$42,760 and on the unrodded \$9,300.

Mr. Slocum adds the interesting observation that many lightning losses should be properly charged to incendiarism, caused by fires set during a storm. Insureds whose property is rodded fear to resort to this practice, knowing that lightning losses on rodded risks are so few, that a thorough going investigation would be made. Mr. Slocum said that the company had only one lightning loss on a rodded risk last year and has had practically no losses of this kind in the past 14 years. There were no losses on the unrodded class in 1930, for the reason, according to Mr. Slocum, that there was very little lightning during the year.

### Higher Michigan Loss Ratio Seen

LANSING, MICH., Feb. 25.—Rather a marked increase in the Michigan fire loss ratio is being anticipated by department officials on the basis of reports so far received on fire company operations in this state during 1930. A steady reduction in the loss ratio had been shown for several years, reaching low points of 44.77 and 46.01 percent respectively in 1928 and 1929. It now seems probable that the loss ratio may be well over 50 percent and perhaps as high as 60. Greatly reduced volume and fire rate cuts are considered mainly responsible for the condition.

### Delavan Lake Selected

The annual meeting of the Illinois Fire Underwriters Association is to be held at Delavan Lake, Wis., June 23-24.

### Indiana Bills Passed

A bill in the Indiana legislature permitting mutuals to write the same types of insurance that are written by stock companies, providing such mutuals possess the surplus required of stock companies, has passed the house.

The bill authorizing Indiana insurance, bond and surety companies to invest funds in federal land banks and joint stock land banks, has passed the senate.

A bill has been introduced in the



## LOYALTY GROUP

### TRUE OPTIMISM

True Optimism is Faith; Faith in Humanity; Faith in the Nation; Faith in its Institutions; Faith in Yourself; Faith in the Present; and Faith in the Future.

False Optimism is Hope based on Desire.

Pessimism is compounded of lack of Faith in all that True Optimism is founded upon, and is acknowledgment of unbelief in self, too often coupled with the wish to profit through the misfortunes of others.

History, that Just Judge of Humanity, reads the record and inexorably records the verdict.

The Verdict is, always has been, and always will be that True Optimism is justified and its results proven; that False Optimism cannot last because of its unsound foundation; and that Pessimism cannot prevail, but must ever fail because of its inherent untruth and viciousness.

History records that the world progressed, and was in every way better and more prosperous in the year 100 than in the year 1 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1000 than in the year 100 A. D.; History records that the world progressed, and was in every way better and more prosperous in the year 1900 than in the year 1000 A. D.; and History will continue to record the progress of the world, and this record will show the year 2000 in every way better and more prosperous than the year 1900 A. D. It is reasonable to believe, and it is wise to believe, and most people do believe that the year 1931 will be in every way better and more prosperous than the year 1930. Voice, therefore, your belief by word and act and aid it to come true in fullest measure.

Almost two thousand years ago a wise teacher and leader of men said:

"Now Faith is the substance of things hoped for, the evidence of things not seen".

Today Faith is as then. Today, as then, True Optimism is Faith. Thinking men must be and are True Optimists. That individuals have suffered misfortunes in the past and many have succumbed, and that individuals will suffer misfortunes in the future and more will succumb, cannot be denied, but such misfortunes, however hard for the individuals, are after all individual misfortunes and will not, in fact cannot stay the world march of progress and prosperity.

Do not be ashamed of your True Optimism, and do not be afraid to express it because you fear some pessimist may ridicule it and tell you that some day he will say "I told you so". Have courage and make known your True Optimism by voice and deed; make known your Faith in Humanity; make known your Faith in your Nation; make known your Faith in the Future; make known your Faith in Yourself; and make known your Faith that the tide has turned and that Prosperity has its hand stretched to knock at the door, and will surely enter if we but heed it, instead of harkening to cowardly fear.

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MISAPPROPRIATED  
THAN THE WORD  
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house which would compel reciprocals operating in Indiana to increase their reserves to conform to those of stock companies.

## Iowa Notes

**R. P. Keith**, Vincent, Ia., has purchased the agency of G. W. Spencer, Rockwell City, Ia.

**L. C. Robinson** has purchased the general insurance business of E. E. Clock,

Hampton, Ia. Mr. Clock plans to devote all of his time to surety and casualty.

At the invitation of the commercial club, the **Fire Prevention Association** will inspect Colfax, March 17. The various local civic organizations, as well as the ministerial association and the fire department, have joined in the movement.

**Thomas Joyce** of Kokomo, Ind., whose agency was established in 1900, died recently.

## STATES OF THE NORTHWEST

### Belson Raps Compulsory Idea

**Tells Kenosha Board Why Insurance Agents Oppose That Plan for Automobile Coverage**

KENOSHA, WIS., Feb. 25.—Farmers and small city dwellers in Wisconsin will suffer to the extent of \$15 to \$20 per year per car if a compulsory automobile insurance law is enacted by the legislature, W. W. Belson, Milwaukee, secretary of the Insurance Federation of Wisconsin, told the Kenosha Board.

"The public may wonder why insurance agents are, many of them, opposed to compulsory automobile insurance, when on the face of it they will benefit by the increased business. The answer is simple. The good insurance agent knows that compulsory insurance is an unscientific solution of what the public believes is a problem. He knows that when it doesn't work, and it will not work in Wisconsin any better than in Massachusetts where it has failed completely, that the good name of insurance will be harmed. Insurance as a whole will be blamed when the public realizes that it has been forced to insure and that the condition sought to be remedied is no remedy at all. That's why the thoughtful insurance agent opposes it."

A better plan, the speaker said, is the so-called safety responsibility law.

The inter-relation of local boards and the state association was discussed by J. G. Grundle, secretary of the Milwaukee Board. He described the work of these organizations and told of the accomplishments of the National Association of Insurance Agents.

### Compromise as to Insurance on Farms Owned by State

ST. PAUL, Feb. 25.—An agreement has been reached between the state rural credits bureau and farm mutuals regarding the insurance carried on farms in process of foreclosure by the state.

The practice of the bureau in cancel-

ling policies of farm mutuals on these farms led to a protest which was carried into the legislature with a threat of a state fund bill. Under the compromise the bureau will continue the farm mutual policies in force until within 30 days of their expiration, when they will be returned to the companies and the insurance thereafter probably carried in old line companies.

The state now owns some 1,750 farms on which it made loans and several others are in process of foreclosure.

### Faribault, Minn. Had Good Record

With the statement that "the exceptionally low fire loss for the past year has largely been due to the activities of fire prevention groups," a recent issue of the Faribault (Minn.) "Daily News" emphasizes the fact that the fire loss in 1930 was slightly under 93 cents per capita. The total loss for the year was \$11,844, or 40 percent under the smallest loss for any of the preceding seven years. Under the direction Chief Morgan, members of the fire department have been making inspections of public buildings and have been securing splendid cooperation of the business heads in the removal of fire hazards discovered by the inspectors. Home owners have also cooperated in the elimination of known fire hazards, all these activities being traced to the educational and inspection campaign staged in Faribault in November, 1929, by the Minnesota Fire Prevention Association.

### Thompson Is Reelected

R. M. Thompson, head of his own agency in Minneapolis and councillor for Minnesota on the national council of the National Association of Insurance Agents, was reelected president of the Minneapolis Underwriters Association at the annual meeting. Other officers are: Vice-president, Alex Campbell, Marsh & McLennan; secretary-treasurer and manager, P. H. Ware, Phelps Agency. New directors named are Warren Hamburg, Mercantile Insurance Agency, and A. M. Ingenhutt, East Hennepin Insurance Agency.

## IN THE MISSOURI VALLEY

### New Qualification Bill Up

**Iowa Agents Abandon Original Measure, Propose Briefer One as Amendment to Present Law**

DES MOINES, Feb. 25.—The qualification bill worked out by the executive and legislative committees of the Iowa Association of Insurance Agents and presented by them ten days ago to the insurance committee of the Iowa senate, was not reported out by the committee. It is said the bill was viewed unfavorably by about two-thirds of the committee, due in large part to the persistent opposition of mutual interests. The bill excluded all life agents, and agents for fraternal, county mutuals and associations.

Proponents of the bill have therefore framed a similar measure in briefer form as an amendment to the section of the Iowa law which relates to licensing of

agents. It is practically the same law now on the books of 26 other states.

Under this amendment agents must file with the commissioner written application for license, making sworn answers to questions the commissioner may require. These answers must be vouched for by an official or representative of the company, setting forth that the applicant is personally known to him; has had experience and instruction to qualify him as a good agent; is of good business reputation and is worthy of a license; that his appointment is not sought chiefly for the purpose of writing his personal insurance or that of his business associates or employers.

### Iowa Association Making Strong Membership Drive

DES MOINES, Feb. 25.—A strong drive for new members is being made by officers of the Iowa Association of

Insurance Agents, aided by G. W. Scott, assistant secretary National association. The goal is 400 members before the annual meeting.

Mr. Scott has spent several days in Des Moines and it is said practically every agency in the city is joining the local board, through a few slight changes in its by-laws. He has also held meetings at Keokuk, Shenandoah and Iowa City and is this week meeting with association key-men in Council Bluffs, Sioux City, Fort Dodge, Ames and Marshalltown. He will leave Iowa in a week or two for Oklahoma.

Several local boards are offering prizes to agents who sign up the most new members during certain months. The Des Moines board is offering a \$5 prize in March and Sioux City will put up the prize in April. The state association is also offering two special prizes to field men who sign up the most new members between now and convention time.

### No Kansas Investigation

TOPEKA, KAN., Feb. 25.—There will not be any investigation into the Kansas fire insurance rate settlement made by the state and the insurance companies a year ago. The house ways and means committee has killed the resolution to authorize a legislative investigation into the entire transaction. The resolution was introduced by Representative Bowman who had used the rate settlement in his unsuccessful campaign for the Democratic nomination for governor in the primary last year.

### Iowa Agent Is Embezzler

A. F. Smith, prominent in insurance, real estate and civic affairs in Council Bluffs, pleaded guilty recently to embezzlement, and was sentenced to five years in prison. He was charged with taking money for investment and converting it to his own use. Auditors who went over his books reported that they discovered eight cases where dual mortgages had been executed on the same piece of property.

Most of Smith's companies had withdrawn from the agency early in 1930.

In January a receiver was appointed and an involuntary petition in bankruptcy filed in federal court.

### Opposes Firemen's Pension Tax

The Missouri Insurance Council, of which Carl S. Lawton of the Lawton-Byrne-Bruner Agency Company, St. Louis, is president, has announced its opposition to the bills in the Missouri legislature proposing a tax of 2 percent on fire premiums for firemen's pension funds for cities which maintain paid fire departments. The council contends that these bills would place a further unfair burden on the insurance business as a whole.

### Kansas Losses Reduced

Kansas fire losses for January were reduced to \$252,161 as compared with \$689,655 in January, 1930, reduction of 77 in the number of fires and \$437,494 in losses. Roof fires caused the largest losses, followed by chimneys and flues. Dwellings suffered most, 262 of the 371 fires being in such risks. Barns, garages and stores followed.

State Fire Marshal Graham gives credit to the fire prevention activities of the past four months for the large reduction in losses.

### Clark Blue Goose Guest

DES MOINES, Feb. 25.—Senator E. W. Clark, who will become insurance commissioner in July, and Senator Cole of the insurance committee of the Iowa senate were honor guests at the Monday luncheon meeting of the Iowa Blue Goose. They were introduced by Fire Marshal Strohm and both spoke briefly. R. P. Osier, state agent Norwich Union, was chairman.

"Uncle George" Newman, beloved of all the Iowa field men and dean of the



Iowa pond, attended the meeting, having returned last week from San Benito, Tex., where he and Mrs. Newman had gone for the winter.

W. M. Palmer, state agent New York Underwriters, was appointed chairman for the March 6 meeting, when nine goslings will be initiated and officers elected.

#### Nebraska Bill on Mutuals

The Nebraska senate has passed and sent to the house a bill requiring that before domestic assessment association, except county mutuals, can organize they must deposit with the state insurance bureau \$25,000 or its equivalent in approved securities.

#### Omaha Department Commended

OMAHA, Feb. 25.—The Omaha fire department is complimented for the "extremely gratifying" reduction of fire losses here in 1929, in a letter from T.

F. Cuneen, manager of the insurance department of the Chamber of Commerce of the United States, to Fire Chief Cogan.

#### McPherson, Kan., Inspected

Forty members of the Kansas Fire Prevention Association attended the inspection of McPherson. General conditions were found to be above the average, but 152 of the 171 risks inspected were criticized, there being an average of four defects per risk.

Speakers included J. B. Taylor of the Western Actuarial Bureau. Howard Searle of Morrison & Clark and Mayor D. R. Maltby.

The association will inspect Liberal in April.

The Insurance Audit Survey Corporation has been organized in St. Louis by W. H. Root, Frank R. Tate, H. F. Cartwright, Charles Hemp, D. A. Hoffman, B. A. Hoffman and M. L. Linton.

miums, chiefly in south Texas, where the business is considered profitable. J. E. Josey, Sr., a wealthy Houston and Beaumont capitalist, is president of both companies.

#### Commissioner Status Unchanged

LITTLE ROCK, ARK., Feb. 25.—There have been no further developments in the insurance commissioner situation. A. D. Dulaney, who was designated as acting commissioner by Governor Parnell, when the senate rejected the recess appointment of William H. Floyd, is still acting in that capacity. Governor Parnell has not indicated his purpose of making another appointment soon.

Senator Bailey is pressing a resolution in the senate to require the governor to submit a nomination to the senate within five days after a vacancy occurs by reason of death, removal or failure to ratify, also prohibiting the appointment of anyone whose nomination has been rejected by the senate, for a period of two years.

#### Plan for Texas Convention

HOUSTON, TEX., Feb. 25.—A. D. Langham, president of the Houston Insurance Exchange, has named the com-

mittees to arrange for the annual meeting of the Texas Association of Insurance Agents here in May. Houston is endeavoring to bring out the biggest attendance in the history of the organization.

Mr. Langham heads the general arrangements committee. Other chairmen are: finance, D. L. Anderson; publicity, B. A. Kilson; entertainment, W. C. Wood; hotels, Carle Aderman; registration, Ernest Langston; transportation, Clarence Yanch; program, J. P. Houston; ladies reception, Mrs. J. G. Worrall; reception, W. T. Blaine; golf, C. R. Westmoreland.

#### Tulsa Agencies Merged

The Dickey-Ashby-Fountain agency oldest and one of the largest fire and casualty agencies in Tulsa, Okla., has been consolidated with the Frates Company, which has offices in Tulsa and Oklahoma City, under the name of the Frates Company. The latter, although comparatively new, produced in excess of \$1,000,000 in premiums in 1930. The officers are J. A. Frates, Jr., president; H. C. Ashby, vice-president; A. T. Grundburg, secretary-treasurer. C. C. Corsuch and C. L. Frates are vice-presidents, located at Oklahoma City.

The Dickey-Ashby-Fountain agency

## STATES OF THE SOUTHWEST

### Ban on Corporations Removed

#### New Agency Licensing Bill in Texas Reported Favorably with That Provision Stricken

AUSTIN, TEX., Feb. 25.—Representatives of corporations engaged in writing fire and kindred lines of insurance were victors when the house committee on insurance struck out of the Terrell agency licensing bill a provision that would have denied corporations the right to obtain licenses. The question of whether corporations may be licensed to write insurance now is before the state supreme court.

The bill, which would discontinue the filing of new application for licenses each year but require the agent to advise the department of any changes in company representation at the time such change is made, was reported favorably. The present law requires separate licenses for every company represented and for every member of an agency. A partnership of three members representing 12 companies is required to obtain 36 separate licenses.

Bills to eliminate fire hazards in dry cleaning and dyeing establishments were killed in committee.

A bill has been introduced in the senate providing for the regulation of tornado and hail insurance in the same manner as fire insurance.

### Arkansas Report Ready Soon

#### May Restrict Insurance Company Investments in Bank Stocks as a Result of Experience of the Home Group

LITTLE ROCK, ARK., Feb. 25.—Submission of the report of the joint committee on insurance and banking will be one of the features of the final days of the Arkansas legislature, which is expected to end its session next week. In its investigations, the committee has been concerned chiefly with the Home Fire and Home Accident and the disclosures may prompt a restriction on the investment of insurance company reserves in bank and other assessable stocks. One of the points at issue will be whether the prohibition shall apply to both domestic and foreign corporations, or merely to domestic corporations. Both the Home Fire and Home Accident had heavy holdings in Arkansas banks which failed when the majority owners, A. B. Banks and Rogers Caldwell, went into receivership.

The Brewer bill, designed to curb the participation of banks and trust companies in the insurance business, has been amended to apply only to cities of more than 5,000 population and is now on the house calendar after en-

actment by the senate. It would provide that for renewal of existing licenses any institution which receives deposits would be classed by the bill as a bank or trust company.

One of the two controversial measures on the calendar of the legislature, which would add 1/2 of 1 percent to the sales tax on insurance premiums will be considered by the house without a recommendation from its committee on insurance. After a lengthy hearing, the committee referred the measure without an opinion. It recommended that the Cannon bill, proposing that fire rates be left for determination by the insurance company and property owner in each case, not pass.

#### Bray at Dallas Office

DALLAS, Feb. 25.—W. F. Bray, who has just completed more than a year's stay on the west coast, in charge of auditing work for the western department of the Firemen's group, has arrived in Dallas to install an accounting system for the newly organized Southwestern department at Dallas, thus bringing the new office into line with the home office.

#### Opens New Claim Office

DALLAS, TEX., Feb. 25.—C. Perry has established himself here as the manager of a claim service office and will handle automobile, casualty, burglary, aircraft and inland marine adjustments anywhere in Texas. His office is at 905 Southwestern Life building, telephone 2-6065. He has had 25 years' experience in casualty and automobile lines and he is thus well fitted for the new work he has undertaken.

Mr. Perry was formerly second vice-president and secretary of the Automobile Underwriters of Dallas. Associated with him will be J. S. Hart, who has had many years of experience in handling casualty claims of all kinds.

#### New San Antonio Officers

SAN ANTONIO, Feb. 25.—Officers of the San Antonio Exchange for the new year are: W. L. Stiles, president; C. W. Heyer, vice-president; F. F. Ludolph, secretary. Directors are F. G. Gittinger, C. R. Bodkin, L. W. Golsing and P. D. Starr.

#### Will Concentrate on Life Company

The National Standard Fire of Houston, which was reinsured in the St. Paul Fire & Marine and the St. Paul Mercury Indemnity through Cravens, Dargan & Co., Texas managers for the St. Paul F. & M., is a running mate of the National Standard Life. It is understood that the offices of the fire company decided to devote all their time to the life business. The fire company was writing about \$250,000 a year in pre-



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was organized 21 years ago by W. Lyle Dickey, who a few years ago disposed of his interest and organized a general agency known as the American Agency Company. A. T. Fountain, vice-president and one of the active factors in the agency, died a few weeks ago.

#### Invite Goodwin to San Antonio

SAN ANTONIO, TEX., Feb. 25.—The San Antonio Insurance Exchange has invited President P. H. Goodwin, National Association of Insurance

Agents, to visit San Antonio on his way to the mid-winter meeting at Nashville.

#### Oklahoma Notes

Engineers of the National Board are making a new survey of the water conditions, fire department and general physical conditions in Oklahoma City.

A two-day educational and inspection campaign will be conducted at Mangum March 11-12 by the Oklahoma Fire Prevention Association, at the invitation of

of the chamber of commerce, the Kiwanis and Rotary clubs cooperating. A public meeting will be held at a banquet.

#### Texas Notes

W. L. Dugger and J. C. Arthur have been elected members of the San Antonio Insurance Exchange.

The J. H. Robertson Agency, San Antonio, has been sold to the Rafalsky-Butterfield Agency.

The Magnolia Insurance Agency, Magnolia, Ark., has been incorporated by W. A. Boyd, J. C. McNeil, Sr., J. B. Lee, S. G. Jean and Mrs. Alice Monroe.

## Southern States Local News

### Ruling on Auto Clubs Asked

Virginia Better Trade Association Also  
Calls Attention to "Thrift Plans"  
and Laundries

RICHMOND, VA., Feb. 25.—C. V. Werne, counsel for the Virginia Better Trade Association, has asked the Virginia department for a ruling as to whether or not solicitors for certain incorporated automobile associations giving various types of insurance policies with the membership fee or service contract are engaged in the insurance business. These solicitors, he pointed out, are paid commission ranging from 10 to 40 percent on such sales. Although the companies issuing the policies are authorized to do business in the state, the solicitors do not hold licenses and he contends that they are required to do so under the Virginia law just as much as any other insurance solicitor. Mr. Werne also wants the department to determine the status of such associations under the insurance laws.

Mr. Werne is also seeking a ruling on whether solicitors for corporations offering insurance on what is known as guaranteed thrift plan are subject to the insurance laws and whether a charge of 1 cent made by laundries for insurance, as shown on laundry tickets, will bring laundries and their drivers or salesmen under the provisions of the same laws.

### Virginians Meet in Bristol

The annual convention of the Virginia Association of Insurance Agents will be held June 17-18 in Bristol. This is the home city of E. W. Kelly, president of the association. No definite plans for the meeting have yet been arranged.

### Royal-Queen Meeting

ATLANTA, GA., Feb. 25.—F. P. Hamilton, president of the Queen, was the honor guest at the annual meeting of the officials and special agents of the Royal-Queen group's southeastern department in Atlanta. A note of optimism was sounded at the meeting, even in the face of some unfavorable reports of depression and high loss ratios in some sections.

### Frost Experience Good

ATLANTA, GA., Feb. 25.—The frost or "freezing" experience on citrus fruits and early vegetable crops in Florida and south Georgia has been very satisfactory this season. The premium volume showed a substantial increase while losses were slight. The Hartford group writes the bulk of this business in Florida, with only one or two other companies making any effort for this particular class.

### Cole Seeking Field Man

C. D. Cole, assistant secretary of the National Union, is in Virginia looking for a new special agent to take the place of J. O. Gandy, who is now supervising the state for the Hudson and Svea. Mr. Cole formerly traveled Virginia himself for the National Union and has a number of friends in the state.

### West Point, Miss., Arson Ring

An arson ring which had been operating in West Point, Miss., for some time has been broken up through the activities of the local chamber of commerce. Included in the gang were some seven or eight members of the volunteer fire department, who were paid on a basis of \$1.50 for each run made and \$2 if they actually assisted in extinguishing a fire. To augment the force

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of four paid firemen, following the purchase a year ago of additional equipment, ten volunteers were recruited from young men employed in stores and shops adjacent to the fire department headquarters. According to Secretary J. T. Ruble of the chamber of commerce, "fires soon became of nightly occurrence," with the result that an investigation was set on foot by Mayor Mosely. Confessions were secured from the ringleaders, two of whom have been sentenced to five years each in the penitentiary, other members of the ring having fled the state.

### Alabama Field Men Meet

MONTGOMERY, ALA., Feb. 25.—Problems confronting fire companies and special agents were discussed in executive session at the monthly meeting of the Alabama Association of Field Men here last week. Agency balances and premiums, it is understood, came in for a large share of consideration. About 40 members were present. R. C. Patterson, Columbus, Ga., president, officiated.

Following the business sessions a dinner dance was held under the auspices of the Alabama Blue Goose. Their March meeting will be held in Birmingham.

### Loss Ratio Arouses Interest

ATLANTA, GA., Feb. 25.—The high fire loss ratio of \$6.60 per capita in Atlanta for 1930 has aroused renewed interest in fire prevention work. The Atlanta chamber of commerce has fostered a campaign which will be intensively carried out throughout the year.

### Radio Ordinance Protested

NEW ORLEANS, Feb. 25.—Radio dealers of New Orleans are protesting the new radio inspection ordinance passed Jan. 20, which requires that a certified electrician do all radio installation work, and that the city electrician's inspector pass on the installation.

"A radio installation is an electrical installation," declared G. L. Mastainach, speaking for the city. "There have been many fires caused in radios through defective installation. No buildings have been burned in New Orleans yet because of radio fires, but that was good fortune—the fires were discovered before they had time to spread."

"Without a proper installation the in-

surance companies are liable to increase the rate. They have no special provision for radios, but they class radios as electrical installations and they quote rates in accordance with the risks as they see them."

### Sue on Negligence Plea

Charging that there was negligence in permitting water plugs to freeze, five insurance companies have brought suit at Paris, Tenn., to recover from the Kentucky-Tennessee Light & Power Co. amounts they paid as the result of the burning of the city hall at Paris in January, 1930. Because of the alleged negligence, it was impossible for firemen to obtain water in the vicinity of the fire. The companies bringing suit for recovery are the World Fire & Marine, Liverpool & London & Globe, Virginia Fire & Marine, Alliance and Fireman's Fund.

### Caldwell Gives Bond Data

NASHVILLE, TENN., Feb. 25.—Commissioner A. S. Caldwell addressed a letter to Chairman Faulkner and member of the legislative investigating committee, to which he attached a letter from the general agent of the Southern Surety, stating that that company has been regularly receiving and collecting the annual premium on his bond ever since it was executed Feb. 1, 1923. The bond had been questioned by the legislative committee.

### Virginia Amendments Allowed

Certain proposed amendments to the guide, standards and Virginia schedules requested by the Virginia Insurance Rating Bureau have been allowed by the state corporation commission. The amendments do not involve any increases in rate but provide for broadening certain rules, new coverages and some reductions in rates.

### Clarksville Gets Reduction

Fire insurance rates for the northern section of Clarksville, Tenn., have been reduced about 33½ percent by the Tennessee Inspection Bureau, which promised a reduction as soon as the city should lay 8-inch water mains in the territory.

P. L. Hawks, general agent at Richmond for a number of fire companies, has bought a building at 204-06 North Jefferson and plans to occupy it as soon as his present lease expires.

## ON THE PACIFIC COAST

### Commemoration Is Planned

Radio Broadcasts, Municipal Celebrations to Mark 25th Anniversary of San Francisco Disaster

The 25th anniversary of the San Francisco disaster, April 18, is to be commemorated by a national radio broadcast from San Francisco sponsored by the National Board and the Pacific Board. A tribute to insurance is to be carried in a special edition of the San Francisco "Chronicle," and the municipality will conduct a series of celebrations under the auspices of the various business organizations. Service clubs will be enlisted in the commemoration exercises. This year also the San Francisco Brokers Exchange will celebrate its 25th anniversary—an organization which is credited with being one of the most important stabilizing factors of the business on the coast.

### Bill in Montana Would Let Fire Firms Sell Auto P. D.

HELENA, MONT., Feb. 25.—With the passage of house bill 141, introduced by the committee on insurance, which was approved during the week by the

governor, the insurance laws of Montana have been amended to permit fire insurance companies to write sprinkler leakage and automobile property damage insurance, as well as automobile fire and theft.

This change in the insurance laws was prepared to meet the recent opinion of the Montana attorney general that fire companies could not write automobile property damage. These classes of insurance have been written for years in Montana by fire insurance companies but the bill was introduced to validate existing insurance.

### Montana Fund Killed

HELENA, MONT., Feb. 25.—Bills providing for establishment of a state insurance fund in Montana to cover any losses sustained by fire on all property owned by the state of Montana have been killed. The bill relating to mutual insurance companies was amended by the house committee on insurance excluding coverage on rural school-houses and churches.

### Credit Association Elects

LOS ANGELES, Feb. 25.—The Insurance Credit Clearing Association of Los Angeles has elected these officers: E. F. Holmes, president; C. P. Trumbull, vice-president; G. F. Houghton,

## REPUBLIC

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treasurer, and H. E. Charlton, secretary. The executive committee is composed of H. C. Gillespie, G. J. Reitter, L. S. Moorhead, F. A. Spear, H. H. Methmann and D. R. Sessions. J. T. Cox was reelected manager of the association.

The election was followed by a discussion of the system of circular letters devised by the association for the use of its members in the collection of premiums and which has been found 36 percent effective in securing the desired results, without other extra cost.

## Close Inspection Urged

SAN FRANCISCO, Feb. 25.—Fire underwriters were warned to make the closest inspection possible of existing fire hazards by Battalion Chief Murray of the fire department at the luncheon of the San Francisco Blue Goose. Chief Murray said that the city still has many dangerous fire hazards which in the event of a conflagration would result in a heavy loss to insurance companies,

unless the risk is insured according to the dangers involved.

## Opens Los Angeles Branch

The Crescent Brokerage Corporation of New York has opened a branch office in Los Angeles in charge of W. J. Perry, for the past ten years special agent in southern California for the Home of New York, working out of the Quitzow & Suydam agency at Los Angeles.

## Gets California License

SAN FRANCISCO, Feb. 25.—California license to write liability and automobile has been granted to Pacific Coast Insurance Association of Los Angeles. The Pacific Coast Automobile Association Underwriters is attorney-in-fact.

The California Blue Goose held its annual formal dinner dance at Los Angeles, with an attendance of approximately 100.

## IN THE MOUNTAIN FIELD

### Interesting U. & O. Claim

Companies Get Credit for Use of Temporary Structure Used During Uninsured Period

DENVER, Feb. 25.—An important use and occupancy claim of a large Colorado coal-mining company, in which a number of fire insurance companies were interested, has been settled on an equity basis, the strict terms of the contract having been disregarded. The loss of a tippie at the mine by fire occurred last spring. The policy was not operative, however, from March 1 to Sept. 1. At the time of the fire the insurance companies were not concerned about liability, for it was supposed a permanent tippie would be in place before Sept. 1. It was not completed for several weeks after that date, but a temporary tippie, too small for any but limited use during the light summer months, was constructed soon after the fire last spring. Because its capacity was insufficient to care for regular business after Sept. 1, a claim was filed.

Following conferences with mining officials, the parties reached an agreement, under which the advantages earned by the insurance companies on the temporary tippie subsequent to Sept. 1 were prorated against the advantages earned by the coal company with the same equipment prior to that date, when the insurance was not in force. Although the policy provided for no such basis of settlement, the coal company officials were broad enough to recognize the advantages they had gained, and allowed the insurance companies credit for them.

### C. D. King Resigns

DENVER, Feb. 25.—C. D. King, manager of the Cheyenne office of Cobb, Miller & Stebbins, general agents, has resigned. He will be succeeded by

Leonard Oliver, who has been field man for northern Colorado. Leo Monaghan of the Denver office will cover part of northern Colorado.

### Cochrane's Removal Sought

DENVER, Feb. 25.—Charges seeking the removal of Jackson Cochrane as insurance commissioner have been filed with the state civil service commission by J. N. Wicks, Boulder, Col.

Mr. Cochrane's refusal to grant a license to the Progressive Insurance Company, of which Mr. Wicks is a stockholder, forms the basis of the charges. The Progressive has been doing a health and accident insurance business in Colorado for about five years, and an application for a license to enter the life insurance business was filed with the commissioner Dec. 3, 1929, after permission had been obtained to sell \$100,000 stock.

### Thulemeyer Reappointed

CHEYENNE, WYO., Feb. 25.—Theodore Thulemeyer, Wyoming commissioner, has been reappointed for a four-year term, starting March 1.

Mr. Thulemeyer was appointed March 1, 1929, to fill an unexpired term, and has made an excellent record. For many years previous to his appointment as insurance commissioner, he was district manager of the Mutual Life of New York.

### Mountain Notes

J. F. Gilliams, vice-president, and J. W. Wood, II, assistant secretary of the Camden Fire, stopped off in Denver for conferences with Cashman & Evans, general agents, en route to the Pacific Coast.

C. F. Cashman of Cashman & Evans, Denver, general agents, and Mrs. Cashman left last week on an extended trip, visiting San Francisco and cities of the Pacific Coast, thence through the Panama canal to Cuba, Florida and other points.

## EASTERN STATES ACTIVITIES

### Syracuse Exchange Meeting

Welton, Beach, Wadsworth and Seydel  
Headliners of Dinner Held  
by Underwriters

SYRACUSE, N. Y., Feb. 25.—There were 175 persons at the dinner of the Syracuse Underwriters Exchange, including prominent business men and bankers, as well as agents. Twenty-five agents of the Massachusetts Bonding from surrounding towns came to welcome Spencer Welton, their vice-presi-

dent. Eugene Beach as toastmaster introduced Frank Seydel, assistant general counsel National Board, who spoke particularly on a proposal to establish a city insurance fund in Syracuse. Some agitation for it has started as a result of an ill considered survey of premiums and losses on city business by the college of business administration of Syracuse University.

H. H. Wadsworth, president of the Insurance Federation of America, introduced Mr. Welton.

The latter said progress is largely the result of accident. Changes threaten destruction, forcing an effort toward



self protection resulting in improvement.

Few insurance men make an effort to improve their business, he said. There is too much effort to build up one's own business at the expense of competitors, and too little on the development of new lines and additional coverages. There is an opportunity for all who use their heads, Mr. Welton said.

Persons in the insurance business have a really important function to perform. There is need for cohesion, mutual reliance between agents and companies, an earnest interest in one's job. Adherence to sound principles, he said, will keep government out of business. The election of officers will be next month.

#### Establishes Life Department

The Riall-Jackson Company, Baltimore fire and casualty agency, has entered the life insurance field and will represent the Security Mutual Life of Binghamton, N. Y. J. B. Brown, who has had wide experience as a life insurance general agent, is in charge of the life department.

#### Field Club Meets March 2

The New Jersey Field Club will meet March 2 at Trenton. Paul Thompson, president, reports that the association, which has taken the place of the New Jersey Special Agents Association, is growing rapidly in membership. It is composed of men in the fire, casualty and marine field.

#### Wellington Potter to Speak

Wellington Potter, well known agent at Rochester, N. Y., will be the speaker before the Pittsburgh Insurance Club next Monday evening. He will speak on "Reciprocity in Business," and "Group Advertising." Mr. Potter's addresses before the New York Association of Local Agents and elsewhere have attracted wide attention.

#### Form New Field Club

MANCHESTER, N. H., Feb. 25.—Some 30 New Hampshire and Vermont field men met here last week and organized the Mountain Field Club for the "promotion of cooperation among members, the furtherance of the cause of fire prevention, and the cultivation of fair and ethical practices."

W. J. Hutchins was elected president; G. L. Cady, Jr., vice-president; R. G. Vedeler, secretary-treasurer; and F. H. Burnham, R. W. Bradish and B. F. Freeman executive committeemen. The first regular meeting will be held March 24.

#### D. of C. Code Tabled

An insurance code for the District of Columbia will not be established at this session of Congress. The sub-committee on insurance and banking of the house district committee tabled the bill after a letter had been read from J. H. Doyle, associate general counsel for the National Board, in which it was stated that the American Bar Association had taken no action at its last convention on its model insurance code upon which the bill is based. Mr. Doyle declared that there is no need for this legislation in the district and asked that favorable consideration be withheld.

#### School Insurance Sought

C. R. Reeve and A. J. Wiley, Millburn, N. J., agents, appeared before the Millburn board of education last week and requested that the school insurance be placed in the hands of local insurance agents. The business at present is placed through a New York broker. The board promised to take the matter under consideration.

I. M. Adler, New Haven, Conn., local agent, died last week after a brief illness. He had been in business in New Haven for 20 years.

## Canadian Field Happenings

### Cites Law on Grain Coverage

Canadian Board of Grain Commissioners Calls Attention to Requirements of Statute

TORONTO, Feb. 25.—The Canadian board of grain commissioners has sent out a circular to the licensees of public and semi-public elevators calling attention to section 102 of the Canada grain act, which reads:

"The loss, if any, under every policy of insurance issued pursuant to this section shall be payable to the holders of elevator or warehouse receipts for grain stored in such elevators as their interest may respectively appear, and the claims of such holders shall have priority to any claim by the manager of the elevator or by any assignee of such manager."

The above section has been amplified by the deputy minister of justice as follows: "Insurance might be taken out in the name of the manager in trust to distribute insurance moneys among the holders of elevator or warehouse receipts as their interests may respectively appear at the time of loss."

The board of grain commissioners then requests that all policies be drawn in line with section 102 of the grain act or along the lines suggested by the deputy minister of justice. It further asks that certified copies of the policies furnished in order be submitted to the board. As this ruling affects nearly every elevator in Canada, company officials are very much concerned, and are giving it careful consideration. No decision has yet been reached.

### Check Windsor City Insurance

WINDSOR, ONT., Feb. 25.—A complete check on all insurance carried by the city of Windsor was ordered by the city council last week, following statements by Mayor Croll that policies for \$24,000 on fire halls are unnecessary, that \$100,000 on police headquarters is too high, that better rates may be obtained in some cases and that there should be a unified plan of city insurance followed by all departments. Two investigators will be named by the finance committee to carry out the survey.

### Entering Western Canada

The New York Indemnity and La Salle Fire have entered the western Canada field for automobile insurance. Both companies are managed in Canada by E. J. Walsh of Montreal, the western representatives being Seeley & Co. of Vancouver.

### January Losses Lower

According to the "Monetary Times" fire losses in Canada for January are estimated at \$4,053,275, as compared with \$5,100,100 for January, 1930. The losses by provinces follow: Alberta, \$279,900; British Columbia, \$50,000; Manitoba, \$546,000; New Brunswick, \$148,500; Nova Scotia, \$54,200; Ontario, \$714,175; Prince Edward Island, \$23,000; Quebec, \$1,092,400; Saskatchewan, \$145,100; with an estimate of \$1,000,000 for unreported losses.

### Canadian Notes

The Sussex Fire of Newark and the Fondele of Paris have ceased to transact business in western Canada.

McGill & Graham, formerly Morrow & McGill, is now general agent for the Westchester Fire in Saskatchewan.

The Fireman's Fund has been licensed in Canada for explosion insurance and the Universal of Newark for property damage, in addition to classes for which they were already licensed.



### What Have Conference Stock Casualty Insurance Companies Done to Reduce the Injurious Effects of Poisonous Substances Used in Industry?

Safety in industry depends not only upon the proper guarding of dangerous machinery, but it is also affected by the use of certain materials that might be injurious to the health. Much research work has been carried on in this field by conference companies. Thus, in 1926, the National Bureau of Casualty and Surety Underwriters, in cooperation with the National Safety Council, after a study of several years' duration, published a report on benzol poisoning. During and since the World War, benzol had become an important item in the manufacture of explosives and other products, and its deleterious effects on workmen handling it became so marked that a demand arose for improving the conditions involving its use.

The Bureau's report found that benzol is sufficiently dangerous to be classified as a poison. Workable suggestions were made for properly handling it, and for the care and treatment of workmen exposed to it. Also, in some cases, substitutes were mentioned which would entirely eliminate its use.

By creating better working conditions, conference stock casualty insurance companies not only produce better insurance risks, but likewise improve the health and well-being of humanity.

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## MOTOR INSURANCE NEWS

### Chrysler Theft Ring Probed

**Representative of Auto Concern Recommends Plan to Remove Profit from Stripping Cars**

After conducting an investigation of a Chicago theft ring specializing in Chrysler automobiles, a personal representative of Mr. Chrysler has returned to Detroit prepared to recommend that Chrysler dealers in Chicago be instructed to make replacements of parts for insured Chrysler automobiles, which have been stolen and recovered, at cost.

The Chrysler representative was sent to Chicago to investigate what was apparently a concentrated attack of thieves on Chrysler automobiles. Unlike most thieves, who steal automobiles to dismantle them, parts have been removed from Chrysler cars in Chicago by experts. Instead of using an ax to break off the accessories, these thieves proceeded carefully, apparently with special knowledge of how a Chrysler is put together.

#### Strange Coincidence

There has been the strange coincidence that soon after the stripped Chrysler has been recovered, the garage, which has been assigned to the repair job, has been approached by representatives of second-hand automobile dealers, offering precisely those parts, which are needed to repair the recovered car.

The purpose of suggesting that accessories be sold under these circumstances at cost is to remove the profit from these apparent conspiracies between thieves and second-hand automobile dealers. If the plan is adopted, it is also expected to have incidental benefits. Prospective Chrysler purchasers can be told that if their car is insured, stolen and recovered, it will be repaired by regular Chrysler dealers, instead of possibly being sent to some garage, which might do an inferior job in order to make greater profit. Of course it would also save money for the insurance company.

Automobile insurance men in Chicago are so interested in this plan, that if Chrysler adopts it, they expect to submit it to other automobile manufacturers. They feel that this system might go far in eliminating the theft of automobiles for the purpose of stripping them. A large part of the automobile thefts today are committed for that reason. If spare parts were available at cost for insured automobiles, the market for second hand accessories would be substantially reduced.

### Standard Provisions Sought

**Commissioner Livingston Asks Michigan Automobile Insurance Men to Agree on Standard**

LANSING, MICH., Feb. 25.—Commissioner Livingston has designated a committee of three familiar figures in the Michigan automobile insurance field to attempt to settle upon a set of standard minimum provisions for automobile policies. The appointees, who have indicated that, despite a wide divergence of viewpoint, they will give their attention to the problem, are: Clyde B. Smith, Lansing, past president National Association of Insurance Agents; R. K. Orr, Lansing, president Wolverine stock automobile carrier, and S. Q. Pulver, Owosso, counsel for a group of Michigan specialty companies, mostly mutuals and reciprocals.

While there is no assurance that any agreement can be reached by the committee members, a tentative draft of minimum policy provisions without which no auto contract could be issued has been prepared and is now being

considered by each member before being submitted to the commissioner.

Commissioner Livingston's action in selecting the committee is motivated mainly by the possibility that the task of setting automobile rates for all carriers may be placed on his shoulders should the legislature pass the Rushton bill now in the senate committee. If it passes the commissioner would have to provide a set of provisions common to all policies upon which rates can be fixed. It is the general understanding that companies could include further coverages at an extra charge under such a plan but could issue no policy without the required provisions.

### Finance Problem in Indiana

**Right of Subrogation Against Purchaser Lacking in Single Interest Collision Loss**

Automobile insurers are much interested in the problem that, under the Indiana law, the insurance company does not have the right of subrogation in a single interest collision loss against the purchaser, who has made deferred purchase arrangements. Single interest collision rates are predicated upon this right of subrogation, and the companies are finding that the Indiana rate under the peculiarities of the Indiana law is gravely inadequate. One heavy writer of automobile business in Indiana reports that it has been suffering a 200 percent loss ratio on single interest collision in that state. Whatever profit that company has made on automobile fire and theft has been more than offset by its collision experience. A rate three times as great is indicated in Indiana, some automobile men declare.

A prominent attorney of Indianapolis has written to one of his companies on this problem.

#### Letter from Attorney

"The law in Indiana," the attorney stated, "is to this effect—that when property is sold on a conditional sales contract, and when property so sold is repossessed by the seller, the seller cannot afterward sue the purchaser for the unpaid purchase price. Since the seller under the conditional sales contract cannot recover any part of the purchase price after he has repossessed the car, it follows, of course, that the assignee of the seller (a finance company) cannot sue the purchaser for the unpaid purchase price. And, of course, it follows that an insurance company as subrogee of the finance company cannot sue the purchaser for the unpaid purchase price."

"It is settled, therefore, in Indiana that you have no cause of action here against the purchaser. The only case in which an insurance company can have a subrogated right where it pays the finance company or the dealer for a collision loss, is that in which the property is not repossessed by the dealer or the finance company. The property must remain the property of the purchaser."

One important company has been so distressed by its Indiana experience that it asked the Indiana department to issue a ruling that fire companies may not write single interest collision. This, the department declined to do.

### Universal Companies to Extend Their Organization

The Universal Automobile and Universal Casualty of Dallas plan to develop their business in their central west department more intensively this year. There are four states under supervision of this office, Ohio, Indiana, Illinois and Michigan. Following the resignation of G. R. Mullins, E. R. Miller and A. E.



Posner are in charge with I. T. Swain as head of the claim department. Messrs. Miller and Posner will supervise separate territory but will work together in developing the business as a whole.

### Another Finance Deadline Is Passed by Auto Body

Another deadline, Feb. 26, has passed without members of the National Automobile Underwriters Association bringing their finance accounts into conformity with rules of the association. The reason is that reformed rules have not been promulgated by the association and companies are not informed as to what constitutes reform.

The finance business has been a bugaboo ever since the formation of the National Association. The problem was tackled from the first and in April, 1930, a dead line for reformation of minor finance accounts was set for September of that year. That dead line passed and a new dead line was projected for Feb. 26, 1931, being the first anniversary of the founding of the association. A third zero hour has not been set.

### Fleet Ruling Expected

MONTGOMERY, ALA., Feb. 25.—In a few days Superintendent Greer of Alabama expects to issue an important ruling on automobile fleet insurance. It is quite probable he will bar private cars from fleets, but before acting he has undertaken to acquire information from various parts of the state on the subject, particularly from the insurance agents of Birmingham where the chief source of complaint appears to emanate

from regarding a former ruling of George Thigpen, recently retired superintendent, admitting private cars to fleets.

### Wolverine Opens Eastern Office

LANSING, MICH., Feb. 25.—The Wolverine, Lansing stock auto carrier, has been licensed in the District of Columbia and will establish eastern headquarters at once in Washington in charge of J. M. Kempf, who was added to the Wolverine's field forces several months ago. The company has license applications pending in Kentucky, Delaware and Maryland, and is licensed in Michigan and Ohio.

### Issues Combined Policy

In association with its affiliated fire companies, the Great American Indemnity has issued a combined automobile policy for use in the eastern, middle western and southern states, excluding Texas, Iowa and Massachusetts. The contract is a liberal one, providing 14 distinct coverages, and its verbiage is terse and clear so there can be no misunderstanding of its terms, either by agents or assured.

### Whipping Manuals in Shape

The executive officers from the various branches of the National Automobile Underwriters Association are gathered in Chicago to put the 1931 manual in final shape. The last drafts for the manual are now coming through. In addition to representatives of the Chicago office, those in attendance are J. Ross Moore, manager; Arnold Hodgkinson, Pacific Coast branch secretary, and A. J. Donohue, actuary.

### Contract Reform Chapman Lesson

(CONTINUED FROM PAGE 3)

commissions on refunded premiums would have been settled according to specified terms instead of by conversation.

"The decision in the Chapman case," one executive declared, "turns entirely on the question of the right of an agent to his records, which all through appear to have been referred to as 'daily reports.'"

"As a matter of fact, the daily report goes to the company and is retained on file in the company's office. In furnishing supplies a duplicate of the daily report, denominated 'agent's record' is included, so the copy of the daily report may be made for the agent's file at the same time the policy and daily report to the company are written. The decision as reported does not in any sense of the word turn on the question of the right of the company to use the expiration in a case where an agent has failed to pay balances to the company, but is based entirely on the question of records, which Judge Dawson held the agent or the receiver in bankruptcy cannot be compelled to give up to the company which furnished the blanks on which those records were originally made.

"This along with some other differences between companies and agents which have developed during the past year again emphasize the necessity for clear and understandable agency contracts between companies and each and every agent covering all the points as to the rights of the respective parties to the contract."

### INTERESTING IMPLICATION

LOUISVILLE, KY., Feb. 25.—In connection with an opinion of Federal Judge Dawson, Louisville, in the Chapman case, wherein daily reports were held to be the property of the agent, rather than the company, the judge contended that the company was not a principal in the transaction until the agent has secured the business, and decided in which one of several com-

panies it shall be written. Some of the field men are now contending that if this is true, then the company could not be held as a principal and subject to liability when property accepted by the agent burns before the agent has written a binder. It is pointed out that companies have pro rated losses where in agents admitted that they had not decided which of several companies would be given the business, prior to binding, or writing up daily report, and where the property accepted burned.

### Successful Midyear Meeting Held by Michigan Agents

(CONTINUED FROM PAGE 4)

to exercise our influence as to the buying power of the insurance business and patronize those who patronize us." Such a program, he said, might be considered beneath the dignity of the association, but "when we consider that the manufacturer of a certain line of merchandise decides to patronize mutual insurance, I believe it is only fair that if he has a competitor who is buying stock insurance, that we should give our business to the latter as he is indirectly helping us in our fight to sell the class of coverage we believe in."

After hearing from his own lips the high regard in which Governor Brucker holds association activities and its leaders, a strong resolution was framed and passed asking that the governor and legislature provide an "adequate appropriation so that the insurance department may successfully continue and extend its activities in the best interests of the people of Michigan and of the insurance business generally."

The association's membership efforts have been successful, George Brown, secretary and membership chairman, reported, with a present membership of 468 as compared with 363 Sept. 1, 1927, when it was decided to seek an increase of 10 percent annually.

Mr. Brown suggested that a new committee on local boards be designated to assist in linking the local boards more closely to the state association. The suggestion was accepted and J. L. VanWagoner, president Pontiac association, was chosen chairman.

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CAPITAL	<b>\$3,000,000.00</b>
RESERVE FOR ALL OTHER LIABILITIES	<b>2,002,924.63</b>
NET SURPLUS	<b>4,322,916.71</b>
ASSETS	<b>9,325,841.34</b>
SURPLUS FOR THE PROTECTION OF POLICYHOLDERS	<b>\$7,322,916.71</b>
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## Stinson's Observations on Present Problems

(CONTINUED FROM PAGE 5)

periors by reporting having covered a large number of towns.

As a consequence, Mr. Stinson declared that many special agents fail to impress themselves upon the local agents, so that on the next visit the special agent must introduce himself again to the local agent.

#### Old Fashioned Method Best

The special agent is the important factor in getting an agent to represent his company as it should be represented and is the important factor in solving the agent's problems. He cannot perform these services during a visit of an hour or so. The old fashioned method of traveling by train was better. That method of transportation took the special agent to as many towns as he should visit, according to Mr. Stinson.

While deploring the increasing expense of fire companies and stating that these items must be reduced, Mr. Stinson urged the special agent to justify that expense so far as it is justifiable. The propaganda of mutuals and reciprocals, which view with alarm the expense items of stock companies, should be resisted.

#### Improvements Are Seen

True, Mr. Stinson said, the average expense ratio today is 50 percent compared with 30 percent in the old days, but in the old days insurance, he said, was merely a collection agency. There was no underwriting on the same plane as it is conducted today. The rating schemes of the late 90's and early 1900's were a "joke." In Keokuk, Ia., for instance, Mr. Stinson recalled that a brick residence took the same rate as a flour mill. Furthermore, the fire protection activities of stock fire companies cost heavily, and these activities are cutting down the loss ratio, and reducing rates, although increasing the expense ratio.

There is a heavy sales tax on the premiums collected. If taxes in the same proportion were collected from other industries, Mr. Stinson observed, the soldiers' bonus could be met, the indebtedness of all the states could be paid off and other taxes could be substantially reduced.

Mr. Stinson said that the competition and inroads of mutuals and reciprocals is not terrifying. He pointed out that in Iowa, where the stock companies are feeling mutual competition the most, only 15 percent of the business goes to mutuals.

#### Bogey of Big City Broker

Mr. Stinson urged the special agents to be curious to know why their agents don't carry the big risks in their towns. Often the agent will say that the line has gone to the big city broker. There is a glamor to the big city agent, which overwhelms the agent in the smaller town, but Mr. Stinson said that the big city broker is the easiest target for the local agent. His claims to giving superior service may be largely discounted. The risks are often thrown into the hopper and forgotten about, whereas the local agent will give very special service. When a risk of this kind is located, Mr. Stinson urged the special agent to accompany the local agent in soliciting the business, using the argument that the local manufacturer or merchant should support home town industry. All the good risks in all these towns can be written, Mr. Stinson said.

#### Funk Makes Analysis

The meetings which were held Tuesday and Wednesday were opened by G. W. Funk, manager of the western department, who presented an interesting analysis of the company's record for the year, pointing out that although there were decreases in certain departments, the results were encouraging when measured by experience of competitors. He reviewed conditions in the west and later demonstrated how a spe-

## General Agents Association Will Pass on Amendments

At the annual meeting of the American Association of Insurance General Agents at the Adolphus hotel, Dallas, April 20-21, there will be two amendments to the constitution proposed by the executive committee. The first relates to the definition of a general agent and the second relates to membership in local or state associations of insurance general agents. The two sections are as follows:

2. Its purpose shall be to establish and maintain the general agency business as that of supervising offices free from direct or indirect ownership or operation of any local agency business, and the acceptance of the principle that the compensation for services rendered by such general agencies is a supervision and management expense; for the promotion of more cordial relations between its members, for interchange of information, for the discussion and solution of mutual problems and for the perpetuation of the American agency system.

3. General agencies to be eligible to membership must be in conformity with the rules of the underwriting organizations having jurisdiction, and members in good standing of any local or state association of insurance general agents in their territory whose constitution and by-laws have been found to be in harmony herewith. Written application for membership must be submitted to and receive the favorable vote of a majority of the membership committee.

### Pioneer Louisville Agent Dead

G. L. Danforth, 76, pioneer local agent, died Feb. 22 of a sudden heart attack. Mr. Danforth entered the insurance business when 18 years of age, in his father's agency, operated as J. L. Danforth & Co., and became president of the concern after the death of his father, J. L. Danforth. This agency has been in operation since 1854. Mr. Danforth was a former president of the Louisville Board and Louisville Salvage Corps.

### J. D. Martin to Speak

John D. Martin, well known local agent in the Insurance Exchange, Chicago, will give an address on fire insurance before the Cosmopolitan Club in that city Thursday.

### Curtis With Lunde & Buswell

Will D. Curtis, Chicago branch manager for the Automobile Underwriters of Dallas, is becoming associated with the Chicago agency of Lunde & Buswell as a broker. Mr. Curtis has been connected with the Dallas company since the war but the props were knocked from under him when that company was submerged in the Darby Day crash. The Automobile Underwriters is now in the hands of a receiver. Mr. Curtis has many friends in the business.

cial agent might systematically develop his territory by charting his state according to counties, just as a department charts its position according to states.

E. J. Perrin, Jr., vice-president in charge of inland marine, told about the possibilities in his department and expressed great confidence in the newly organized Inland Marine Underwriters Association. Other speakers were J. K. Hooker, vice-president; Olaf Nordeng, secretary; D. R. Sibley, secretary; R. R. Stone, assistant secretary; Fred MacCabe, assistant secretary; H. J. Parker, assistant secretary; M. V. Campbell, manager of the western marine department; T. Z. Franklin, manager special hazard department; J. E. Kelly, state agent in Texas; E. B. Edwards, special agent western marine department; Tom B. Clarke, superintendent fire department in San Francisco; C. T. Hubbard, assistant secretary, and A. J. Meyer, state agent in Illinois.

The banquet was addressed by S. T. Whatley, general agent for the Aetna Life, with which the Automobile and the Standard Fire are associated.

## Results on Side Lines in 1930 Are Reported

(CONTINUED FROM PAGE 9)

Liverpool & Lon. & Globe		
	Premia	Losses
Fire .....	\$ 8,835,272	\$ 4,385,039
Ocean Marine .....	145,586	103,486
Motor .....	686,973	331,838
Earthquake .....	61,767	56,830
Inland Marine .....	128,560	153,018
Windstorm .....	483,112	24,669
Hail .....	24,936	11,078
Sprinkler .....	34,344	15,483
Riot and Explo. ....	158,477	95,367
Aircraft .....	62,175	
Total .....	\$10,625,202	\$ 5,176,907
Alliance (Eng.)		
Ocean Marine .....	\$ 492,250	\$ 238,471
Motor .....	207,079	89,946
Inland Marine .....	211,953	72,482
Aircraft .....	25,969	10,216
Total .....	\$ 937,253	\$ 411,116
Caledonian		
Fire .....	\$ 1,702,818	\$ 925,751
Motor .....	592,339	274,878
Earthquake .....	3,599	
Windstorm .....	80,909	19,648
Sprinkler .....	3,635	2,801
Other Lines .....	54	
Total .....	\$ 2,388,978	\$ 1,223,454
Caledonian Amer.		
Fire .....	\$ 299,228	\$ 136,128
Earthquake .....	90	
Windstorm .....	8,626	1,109
Sprinkler .....	251	10
Riot and Explo. ....	178	3
Other Lines .....	1	
Total .....	\$ 308,374	\$ 137,250
Carolina		
Fire .....	\$ 693,338	\$ 389,789
Earthquake .....	1,050	
Windstorm .....	42,104	12,361
Sprinkler .....	8,952	3,676
Riot and Explo. ....	4,118	176
Total .....	\$ 749,562	\$ 406,002
Commerce		
Fire .....	\$ 1,199,446	\$ 626,662
Motor .....	205,479	103,758
Earthquake .....	782	
Inland Marine .....	56,547	23,904
Windstorm .....	52,284	16,817
Sprinkler .....	3,321	3,397
Riot and Explo. ....	2,676	660
Total .....	\$ 1,521,135	\$ 775,199
Connecticut Fire		
Fire .....	\$ 4,981,692	\$ 2,668,254
Ocean Marine .....	282,757	197,053
Motor .....	448,441	232,535
Earthquake .....	15,172	
Inland Marine .....	305,422	117,025
Windstorm .....	418,026	161,493
Hail .....	68,514	56,242
Sprinkler .....	19,325	7,327
Riot and Explo. ....	20,596	4,250
Other Lines .....	23,501	4,659
Total .....	\$ 6,563,946	\$ 3,418,838
Equitable F. & M. Conn.		
Fire .....	\$ 996,338	\$ 533,650
Ocean Marine .....	56,551	39,410
Motor .....	89,688	46,506
Earthquake .....	3,034	
Inland Marine .....	61,094	23,405
Windstorm .....	83,605	32,298
Hail .....	13,709	11,248
Sprinkler .....	3,965	1,465
Riot and Explo. ....	4,119	850
Aviation .....	4,700	931
Total .....	\$ 1,316,789	\$ 689,767
Fireman's Fund		
Fire .....	\$ 9,773,377	\$ 5,369,332
Ocean Marine .....	2,860,752	2,086,681
Motor .....	3,150,676	1,570,284
Earthquake .....	35,007	
Inland Marine .....	1,102,872	468,897
Windstorm .....	434,526	118,200
Sprinkler .....	16,568	9,846
Riot and Explo. ....	21,387	3,515
Aircraft .....	4,031	
Total .....	\$17,399,199	\$ 9,626,757
Federal, N. J.		
Fire .....	\$ 1,037	
Ocean Marine .....	888,606	\$ 556,708
Motor .....	1,159,647	504,269
Inland Marine .....	1,540,384	478,365
Aircraft .....	25,969	10,216
Total .....	\$ 3,615,645	\$ 1,549,559
Glens Falls, N. Y.		
Fire .....	\$ 5,320,444	\$ 2,718,623
Ocean Marine .....	631,078	318,649
Motor .....	752,575	309,495
Earthquake .....	10,915	340
Inland Marine .....	567,891	343,465
Windstorm .....	321,951	75,535
Hail .....	119,053	126,530
Sprinkler .....	15,303	8,448
Riot and Explo. ....	18,765	4,788
Other Lines .....	14,224	21,377
Total .....	\$ 7,772,199	\$ 3,927,250
Church Properties		
Fire .....	\$ 64,827	\$ 293
Earthquake .....	19	
Windstorm .....	1,272	
Total .....	\$ 66,118	\$ 293

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Legislative Tide  
Heavy This Year

(CONTINUED FROM PAGE 5)

UNDERWRITER of Feb. 2 was recited the purpose of certain of the 105 measures dealing with the financial responsibility of automobilists alone, and now it is noted that 101 bills proposing either an increase in present taxation of carriers or the imposition of a tax on features of the business now exempt from such charge, are before the different legislatures.

## Many Expected to Pass

While it is anticipated the great majority of the bills will be defeated as soon as legislators become aware of the effect their adoption would have on policyholders, it is a foregone conclusion that many of the measures will be enacted and the burden of the insurance carriers increased accordingly.

With the falling off in revenue from avenues hitherto profitable, and the insistent demand of real estate owners in many sections of the country, especially in agricultural sections, that there be tax reductions on land, law makers have been casting about for new sources of revenue and turned to insurance, whose high asset accumulations and the ease and certainty with which authorized levies thereupon may be collected, has made this a particularly attractive field on which to levy.

Most states have embarked on large road building programs to the completion of which they are committed and for which purpose bond issues have been authorized.

## Excuse for Insurance Tax

The anticipated off-setting revenue from the gasoline tax in certain states, particularly those of the south and far west where the cost of road work is largely born by the state, without contribution from counties generally received in more thickly populated and wealthier eastern states, supplies another excuse for trying to raise money from foreign corporations.

Insurance companies recognize their obligation to pay a special tax for maintaining insurance departments, and also to contribute a fair share of the cost of general government, but managers feel it is going a little too far when it is proposed to levy a tax on them to create a pension fund for firemen and police of Portland, Ore., as is proposed in a bill now before the legislature of that state, or to supply text books to children of Arkansas, which is the purpose of a measure there.

Company officials fail to understand just why the burden of providing for the old age or disability of public employees or books for school children should fall particularly on insurance interests.

## Cite Retaliatory Laws

The best counter offered by insurance interests to fantastical tax propositions is the retaliatory law, a feature overlooked as a rule by the framers of unjust measures, who seemingly argue that the tax will be borne very largely by companies of other states in which their citizens have no particular concern. Invocation of the retaliatory act, in force in most of the states, has served to check the imposition of many iniquitous bills in the past, and no doubt will prove equally effective in future.

The deluge of insurance measures that have already appeared, to say nothing of others confidently anticipated before the legislative season closes, has simply appalled those agencies of the underwriting interests whose function it is to keep track of legislation and which are forced to work at top speed every day and all hours of the day in an effort to keep track of developments.

## Moss Visits Chicago

Mike M. Moss, senior vice-president of the Union Indemnity fleet of New Orleans, visited in Chicago a few days last week.

Goodwin Answers  
Chrysler's Letter

(CONTINUED FROM PAGE 3)

wise a matter of a 'sound business practice.'

"You can readily imagine, for instance how the automobile dealers and agents and salesmen would feel if you were to make an announcement that hereafter no Chrysler automobile would be sold through a dealer or an agent or a salesman; that all sales would be on a direct-to-purchaser basis from the factory, a mail-order business, as it were. I imagine that there would be an army of men engaged in the sale and distribution of automobiles in this country who would not be inclined either to purchase or to recommend for purchase an automobile whose maker thus decided to discard all the middlemen and go direct to the consumer.

## Deserting First Principle

"So it is in insurance. Eighty-five percent of the insurance business of this country is transacted by stock insurance companies through the American agency system. The non-agency mutual system has appeal to some property owners because of a less-cost factor. It must be obvious to you, however, that any manufacturer or business man having capital invested, is thus deserting the very principle upon which his business is founded and has been built, in order to become a protagonist for a principle in business that denies to capital any return on its investment. It is apparent that American business could not exist very long if that principle should become universal in its application. It has always appeared to me to be inconsistent for any man engaged in business for profit where capital is required, to abandon that theory in dealing with the question of insurance. Your company spends a large sum of money each year in obtaining goodwill for your product. This is, of course, a perfectly proper procedure. Without a substantial element of goodwill, it would be difficult for many American businesses to succeed. Therefore, anything that interferes with that goodwill or that sets up sales resistance to a given product should receive careful attention from the maker or seller of that product.

## Regrets Controversy

"Of course, I regret the present controversy. The issue has been precipitated by mutual insurance companies endeavoring to exploit and cash in on your decision to place a portion of your insurance with them. When this weapon of attack is used by them in the direction of other manufacturers having large lines of insurance, it must be expected that the stock insurance interests of this country would point out why that form of insurance is best adapted to the business needs of this country and to the welfare of the individual or corporate property owner.

"I appreciate the explanation contained in your letter and desire now to restate that the Chrysler Corporation has not been singled out for attack or for discrimination. I believe, however, that I am not overstating the case when I say that the hundreds of thousands of stock insurance men of this country are beginning to inquire, with reference to purchases of all kinds to be made by them, whether the manufacturers and dealers in those products do or do not believe in this doctrine of reciprocity in business."

## Agents to Argue

(CONTINUED FROM PAGE 5)

Hotel Noel, where regular sessions will be held through two days. Welcoming addresses will be made by President W. I. Edwards of the Nashville Insurance Exchange, President J. M. Dean of the Tennessee association and Commissioner Caldwell of Tennessee, with response by former President C. B. Smith of the agents.

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# The National Underwriter

February 26, 1931

CASUALTY AND SURETY SECTION

Page Thirty-three

## Find Cheer in Casualty Field

Business Has Been Creative in Face of Depression, With Good Results

### VOLUME IS MAINTAINED

Accident and Health and Bonds Have Been Two Most Profitable Lines This Year

In these days of gloom a measure of cheer is to be found especially in the west in casualty offices. Few companies showed much of a decrease in volume for 1930 and many offices report an increase running as high as 25 percent.

The reason seems to be that the casualty business is creative. Except for a certain proportion of mandatory business, such as public contract bonds, public official bonds, etc., casualty companies offer a multiplicity of wares, the market for which is far from static. Fire insurance executives have come into the habit of thinking that a certain amount of business exists and aggressiveness is unproductive while the building trades are idle. There is effort on part of fire companies, these days, to offset reduced fire premiums by income from side lines, but unfortunately much of this effort has been confined to conversation.

Meanwhile reduction in fire insurance premiums has prompted agents to seek other sources of revenue and casualty special agents together with their superiors are encouraging agents to find that extra revenue in the casualty business.

#### A & H Is Profitable

Two lines were especially profitable the past year—accident and health and bonds. Many companies have been conducting campaigns in behalf of blanket fidelity bonds and these campaigns have borne fruit. Defalcations of employees following the stock market crash emphasized the importance of bonding employees. This experience, together with the fact that companies have been educating the public on the value of the comparatively new blanket fidelity bond idea, has created a good market for these bonds. Although the losses were heavy following the stock market crash, the new business which developed out of the losses is likely to make the bond business profitable for the year.

#### Stimulated by Disability Change

The accident and health business was stimulated by the change in the standard disability clause of life insurance contracts which went into effect July 1. Disability rates were increased and the clause was liberalized with the result that life insurance companies have largely been eliminated from the accident and health field. Although the monthly payment industrial accident and health business has suffered a serious

## Report 197 Banks Closed Their Doors in January

TIES UP \$91,360,000 FUNDS

Surety Men Find Situation Better Than Last Year but Not Yet Back to Normal

NEW YORK, Feb. 25.—Bank suspensions throughout the country in January numbered 197, with aggregate deposits of \$91,360,000, according to the records of the federal reserve board. These figures, although large, show a marked decrease from the December record of 344 closed banks, tying up total deposits of \$363,119,000.

#### January Figure Lower

The failure of the Bank of United States of New York City contributed substantially to the latter item. While the bank failures in January were less than those for December and November they were considerably in excess of the number in any of the preceding months.

In January Mississippi led off with 26 bank failures, Indiana following with 22. As an offset, the federal reserve system reports that 43 banks that previously closed, reopened their doors, while more recent information is that eight banks in western North Carolina that suspended some time ago, are again in operation.

#### Situation Far from Normal

Surety underwriters, while holding that the peak of bank failures has been passed, feel the situation is far from normal and a number of institutions still loaded with frozen loans will be compelled to close unless they secure additional capital.

decline, commercial accident and health business has enjoyed a healthy growth. In days of depression the importance of providing for emergencies is emphasized and accident and health producers have found a good response to their solicitation among prospects who have the capacity to buy.

The competition of new companies has so reduced plate glass rates in many centers, particularly Chicago, that this line is no longer the favorite it has been in years past. Rates have been shaved in order to discourage certain companies from selling so-called 50-50 covers, but apparently these certain companies have not been discouraged and the rate reductions have been a boomerang to the older operators. Companies which once experienced a loss ratio of 30 percent on plate glass are now suffering a 50 percent loss ratio.

#### Auto Lines Demoralized

The automobile business seemingly is farther from stability now than it ever was. The new companies which have been cutting rates and regulations have not been overtaken by disaster and some of the older companies are succumbing to the temptation to meet competition. The fictitious fleet evil is prevalent in many communities, even in those states where it is prohibited by law, for privately owned cars of employees in those states are often listed as being from states where there are no restrictions.

## Suicide Cases Are Troubling Many Accident Companies

CLAIMS DIFFICULT TO DEFEND

Dr. Dingman of Continental Casualty Advances Idea of Psycho-Analysis of Applicants as Remedy

The large number of suicides among apparently successful business men who have been affected by the stock market crash and depression is troubling accident companies. The carriers are finding something the same experience as life companies on these risks, since their liability is usually quite large.

In the case of one influential Chicago business man who fell recently from his window in an apartment building, one company alone is on the risk for about \$60,000. In most of these cases coroner's juries return "accidental" verdicts, apparently being disinclined to jeopardize the widow's or other beneficiaries' chances of obtaining indemnity, even though the facts point squarely to suicide.

#### Juries Ignore Facts

In another Chicago case only two weeks old, one witness was found who testified before the coroner's jury that he saw the man drop his coat and hat on the roof of a building and climb over the coping, but in face of this the accidental verdict was returned.

Accident policies contain a clause excepting suicide whenever it occurs in the life of the policy, but this does not exempt the companies from having to defend such cases and pay judgment in case they cannot produce conclusive proof of suicide.

Three important suggestions for life companies are made this week by Dr. Harry W. Dingman, vice-president and medical director of the Continental Assurance and Continental Casualty, Chicago, who has made a study of this question, and they might apply equally in the accident business. He offers the following:

#### Three Suggestions Made

1. Cooperative medical offices opened in principal cities, supported by companies, giving unusually thorough examinations, including psycho-analysis to determine mental tendencies of applicants.

2. Expenditure by companies of up to \$100 for these thorough examinations, as compared with the \$5 medical fee now paid.

3. Expenditure of a great deal more money for inspections as compared with the low cost of present inspections, no matter what the size of applications.

Dr. Dingman believes the solution of suicide claims rests in selection of applicants through psycho-analysis. He says it is evident many suicides fall within the category of mental cases, and only a study of mental reactions will single out persons of weak mental or moral fiber, or who have complexes or are insane.

He points out that hospitals of this country care for a great many more mental cases than they do those involving only disease or accidental injury.

However, he admits his suggestion  
(CONTINUED ON NEXT PAGE)

## Group Disability Aid to Group Life

Tendency Today Is to Sell Combination Coverage to Meet Life Objections

### SEE CHANGED CONDITIONS

Working Man of Today Is More Interested in Disability Than in Life Insurance

Group accident and health insurance is rapidly becoming a well recognized line and one in which employers are showing special interest. Many employers today feel that group life insurance is not accomplishing the purposes for them that they hoped it would. As a matter of fact, salesmen for group insurance say that the employer is not so interested in group life as heretofore. Besides the moral obligation that the employer might feel towards his employees, he is also interested in reducing his labor turnover by creating a more satisfied group of employees. That was one of the main reasons for group life insurance and if the employer finds that his labor turnover is continuing at about the same ratio or if it has decreased only to a small extent, his group life insurance is not paying for itself.

Possibly labor conditions today have a good deal to do with this. Take the laborer of 20 years ago. He went into a plant, asked for a job and hoped that he could keep that job the rest of his life. He was a good mechanic and he would gradually work himself up to a good income, he became a valuable man to his organization and he just stayed. He was content to go along on the salary that he was getting. The mechanic of today is quite different. He is usually a younger man who goes into a plant and is just interested in staying there for five or possibly ten years when he wants to get out and open up his own shop. Life insurance isn't going to appeal to that man simply because he is going to pay out money every year and the chances are that he is not going to die within ten years.

But what he is interested in is something that will give him a weekly income if he is hurt while he is in that factory.

The majority of group disability cases are written on a seven-day waiting period and are written on a nonoccupational basis. There is no medical examination required and group disability is written exactly on the same basis as group life. It is generally written for \$500 life insurance and about 60 percent of the salary in disability benefits on employees who have been with the concern under two years and on those who have been employed over two years the life insurance is increased to \$1,000 and the disability benefits remain at about 60 percent of the weekly wage.

## Grand Jury to Investigate Return of Stolen Bonds

### BANK ROBBERY AFTERMATH

Recovery of \$822,000 Securities by  
Manager Myers of Fidelity & De-  
posit at St. Louis Probed

ST. LOUIS, Feb. 25.—The grand jury will start an investigation here Feb. 27 into the return by Emmett M. Myers, resident vice-president of the Fidelity & Deposit, of \$822,000 securities stolen from the safe deposit vault of the Grand National Bank of this city May 25. The securities were returned by Mr. Myers to Ed Mays, president of the bank Feb. 20. Mr. Myers says he obtained the bonds through J. L. Lemon, a member of the Missouri legislature, who was special attorney for the insurance company. The bank paid a reward of \$140,000 for return of the bonds, and of this sum Mr. Lemon is said to have retained \$15,000 fee.

Recovery of the bonds reduces net loss in the robbery from \$956,800 to \$275,000. The bank lost \$43,000 cash and paid \$140,000 for return of the bonds. It expects to retain \$50,000 of the \$125,000 paid by the F. & D. under a \$150,000 blanket burglary bond. Customers of the bank lost \$31,000 in cash and about \$61,000 in jewelry. An underworld report is that the robbers sold the \$61,000 jewelry for but \$600. Mr. Lemon takes the position that the negotiations were between attorney and client, and hence privileged. However, he says he did not deal with the robbers. Mr. Myers states that details of the return are no concern of the public.

Of the securities recovered, \$237,000 belonged to the National Indemnity Exchange, \$241,520 to the Grand National bank, and \$95,000 to the Continental Life of St. Louis.

### Beggs San Francisco Manager

J. S. Sheppard has been named to succeed the late H. H. Beggs as resident manager in northern California for the Phoenix Indemnity. He had been assistant manager at the San Francisco branch for the past five years, prior to which time he was in charge of the company's office at Oakland.

### Harlow Now Vice-President

NEW YORK, Feb. 25.—L. W. Harlow, in charge of business production for the National Surety in the territory under the jurisdiction of its St. Louis branch office, has been appointed a vice-president.

### To Meet in Glens Falls

NEW YORK, Feb. 25.—Glens Falls has been selected for the annual meeting place of the Insurance Federation of New York, May 8-9. Among the important bills now in the legislature engaging attention of the federation are those dealing with unemployment insurance, monopolistic workmen's compensation and insurance for counties and municipalities.

### Suicide Cases Are Troubling Many Accident Companies

(CONT'D FROM PRECEDING PAGE)

does not solve the problem of cool business men who, when they are pushed to the wall financially, sell out to insurance companies. However, he believes many business men gain success not necessarily through mental equilibrium but through unusual ability in some line, and that the big applicants for accident and health insurance would respond to a large extent to the tests of a psycho-analyst.

## NEWS OF THE COMPANIES

### Improved Efficiency Sought

Standard Accident Makes Changes in  
Two Branch Offices—January Busi-  
ness Sets High Record

DETROIT, Feb. 25.—As a result of the work of A. J. Crockett, assistant secretary, who was recently assigned to the task of studying the Standard Accident's branches from an efficiency viewpoint, changes have been made in two of the company's 18 branch offices. Certain changes were effected in one of the offices several months ago and, following Mr. Crockett's recommendations, the business of the Atlanta office will be reported direct to Detroit henceforward.

Unprofitable business that has been reported through the Atlanta branch has been eliminated, the staff has been cut down somewhat but all departments will continue to function as in the past and the executives look for a greater premium volume from the Atlanta territory this year than ever before. John R. Land, former assistant manager there, has been appointed manager to succeed C. L. R. Nichol, resigned. All changes in this and the other Standard branch have been in the nature of efficiency rather than retrenchment, Vice-President C. C. Bowen states. The company is looking closely into the unprofitable business reported from all branches but does not plan to have the business written in the territories of the other branch offices reported direct to headquarters. The Atlanta change was due merely to a local condition and by no means indicates a general change in the company's policy, Mr. Bowen points out.

He believes 1931 will be the greatest year in the company's history, from the standpoint of underwriting volume and loss ratios, on both casualty and bonding lines. January showed an increase of \$750,000 in business written as compared with the same month last year and was the best January it has ever had. February promises to be equally satisfactory.

### Items from the Statement

Figures from the Annual Exhibits of  
the Massachusetts Bonding Prove  
Healthy Condition

The Massachusetts Bonding annual statement shows assets \$17,904,100, capital \$4,000,000, premium reserve \$4,120,813, loss reserve \$4,502,661, net surplus \$4,500,000, undivided profits \$118,407, policyholders' surplus \$8,618,407. President T. J. Falvey reports net premiums \$12,051,923, which was only \$74,782 less than the year before. The increase in premiums for the first 10 months was \$84,568. There was a let down in November which eventually caused the loss. The investment income was \$889,736, increase \$65,844. There is a decrease of \$130,000 in premium reserve. While the loss and loss expense payments exceeded those of 1929 by \$596,737, the percentage to incurred premiums was only 1.59 percent higher. There was \$223,593 added to the claim reserves.

The total net earnings from operation before deducting dividends was \$593,263. After deducting \$640,000 dividends there is a balance of \$291,263 earned. The depreciation in market value resulted in decrease in assets of \$1,515,268. The underwriting profit was \$127,000. President Falvey states with assurance that the Massachusetts Bonding is traveling along progressive, secure lines. He believes that with proper economy and greater efficiency all along the line, with adjustments in certain rates upward, there are better prospects of a more equitable return.

### Grand Central in New Hands

R. J. Maloy Elected Vice-President—  
Successor to President Thompkins  
Will Be Named

In the reorganization of the Grand Central Surety, R. J. Maloy, formerly vice-president and comptroller of the Equitable Casualty & Surety, has been named vice-president to manage the company jointly with H. R. Burney, also a vice-president.

Control of the company is now in the hands of a group represented by B. R. Harriman, a lawyer. The new group is now represented on the board of directors and on the underwriting committee. A successor to Leslie J. Tompkins who has resigned as president, is expected to be appointed shortly.

Capital has been increased from \$250,000 to \$400,000 by the issuance of 15,000 shares at \$10 par value. The par value is expected to be reduced to \$6.25 a share so that it will leave the company with \$250,000 capital and increase its present surplus by \$150,000.

Mr. Maloy served eight years as casualty and surety examiner in the New York department. He was once engineer in charge of the Bureau of Research, operating throughout the United States and Canada.

### Bland Reports Good Month

BALTIMORE, Feb. 25.—The United States Fidelity & Guaranty enjoyed the best January in several years, President R. H. Bland informed the directors at their monthly meeting. Volume of premiums written exceeded January last year and after all charge-offs the company added approximately \$400,000 to its surplus.

Mr. Bland reported a sharp falling off of the fiduciary losses, which, he said, is a good sign. Losses on this form of underwriting had been unusually heavy in 1930 in consequence of the recent slump in the stock market. He believes the improved operating results indicate that business in general is gradually picking up.

### Enters Several States

SAN FRANCISCO, Feb. 25.—President J. B. Levison of the Fireman's Fund Indemnity announces receipt of licenses to write casualty, fidelity and surety in West Virginia, North Carolina, Tennessee and Nevada, making 27 states in which the company is entered, in addition to the Dominion of Canada, District of Columbia and province of British Columbia.

### Hartford Accident Figures

The Hartford Accident & Indemnity gets out an excellent statement. Its assets have reached the big sum of \$44,507,766. Its premium reserve is \$12,889,367. Its claim reserve is \$18,591,316. It puts up a voluntary reserve of \$1,000,000 to take care of any contingencies. The capital is \$3,000,000 and net surplus \$6,817,335. The Hartford Accident is known for its financial strength and adequate reserves.

### Southern Surety Meeting

NEW YORK, Feb. 25.—Stockholders of the Southern Surety are holding their annual meeting in New York City this week. Directors for the new year will be elected and the understanding is the banking house of Kidder, Peabody & Co., which was represented on the board heretofore, will not appear on the new slate.

### Enters Illinois

The Greater City Surety & Indemnity of New York has been licensed in Illinois for fidelity and surety.

## Chill Kills Baby; Landlord Liable, Carrier Absolved

Although the landlord was assessed damages for the death of an infant of a tenant caused by failure of the landlord to provide heat, the liability carrier of the landlord is not responsible under the contract, the New York supreme court held in the case of Jackson vs. Employers Liability.

The theory of the action in which the landlord was held liable was that the death of the infant was due solely to the wrongful act and violation of law by the landlord for failing to provide heat, but in the action of the landlord to collect from the Employers Liability, the supreme court held that infant died from disease after development of a month's duration, possibly accelerated by other causes not determinable, and not as the result of any illness occasioned by a definite, specific occurrence of a sudden and catastrophic nature. Neither did the death result from bodily injuries within the purview of the coverage provision. The insufficiency of the heating in varying degrees continued nearly two months before death ensued. The court held that the inception of the illness cannot be attributed to inadequate heating at any particular time, and the extent to which other causes contributed to the fatality is merely conjectural.

### Continue Lawford & McKim Virginia License Hearing

RICHMOND, VA., Feb. 25.—Following a hearing last week in the case of Lawford & McKim, Baltimore general agent for the Employers group, which has been asked to show cause why it should not be penalized for failing to domesticate in Virginia, the corporation commission of this state continued the case until March 3, when briefs will be filed and argument heard.

It was testified at the hearing that the Baltimore general agency represented the three companies of that group in a supervisory capacity in Maryland, District of Columbia, Virginia, North Carolina and West Virginia, but defense witnesses did not regard it as actually doing business in Virginia. H. A. Meisel, manager service department, and W. C. Anderson, manager claim department for Virginia, with Richmond headquarters, said that, although they were paid by Lawford & McKim they were in reality working for the companies and were appointed by them. O. M. Alfriend, Employers Liability agent at Richmond, told the commission that he made remittances to Lawford & McKim but was appointed by the company as its agent. All three companies are entered in Virginia.

The state is attempting to prove that the general agency, through its connections, is actually doing business in the state and therefore should be domesticated like any other corporation operating within its bounds. It was brought out that the agency was formerly a partnership but incorporated several years ago. It has been representing the Employers Liability for more than ten years, taking on the other two companies of the group as they were organized.

### Monarch to Hold Conference

General agents of the Monarch Accident and Monarch Life will hold a three-day business and sales session at the Hotel LaSalle in Chicago, March 10-13. This will be one of the series of meetings which general agents will hold with the officers from Springfield, Mass. President C. W. Young, Vice-Presidents J. W. Blunt and C. H. Munsell will be present from the home office. At least one or two other meetings will be held later on the Pacific Coast.



## Four Sentenced for Claim Fraud; Five More Arrested

### ATTORNEY GETS TWO YEARS

Called Arch-Conspirator in Chelsea, Mass., Swindling Case—Broaden St. Louis Probe

BOSTON, Feb. 25.—Harry Barger, Chelsea attorney, was convicted of swindling insurance companies on fake automobile liability claims in the superior court Wednesday and sentenced to two years in the house of correction and pay a fine of \$500. Barger was characterized as the arch-conspirator in this particular Chelsea swindling case. John Surago of Chelsea, who used an injured jaw as the basis of several claims, was sentenced to one year. T. F. Magee of Medford, an adjuster, and Benjamin Kaplan of Braintree to six months each.

Five more arrests have been made in Lynn in another automobile liability case. F. J. Quinn of Lynn, charged with being the originator of the latest fraud and leader of the group, was held on 14 charges of larceny. Four others had already been arrested in the same case, including Dr. Joseph St. Angelo of Boston. According to the police, Quinn originated the fraud cases by alleging injuries in fictitious motor car accidents, using Dr. St. Angelo's certification of injuries under a variety of assumed names.

### MORE ST. LOUIS ARRESTS

Three additional arrests have been made in St. Louis in connection with an alleged conspiracy to defraud the Continental Casualty through fictitious claims based on automobile accidents. W. H. Stiegemeier, James Hayes and Edward McFall are the latest persons to be arrested. Those previously charged with complicity in the alleged accident ring are W. L. Bray, an attorney and adjuster for the insurance company; L. L. Lussky, an attorney, and W. L. Jolly.

Stiegemeier is alleged to have reported that a rented automobile he was driving struck and seriously injured Jolly in Carondelet Park last August. The company settled Jolly's claim by paying \$2,750. Of this amount Jolly is alleged to have received by \$250 and Stiegemeier \$25, while the government charges that the balance was split between the two attorneys. Hayes was supposed to be the driver of an other automobile that struck McFall, and on this alleged fake claim the company paid \$150. Brady has vigorously denied that he participated in the conspiracy to defraud the company.

## New York and Vermont Men of Bankers Indemnity Met

The New York and Vermont agents of the Bankers Indemnity gathered at Albany, N. Y. for conference. At one session, H. P. Jackson, president of the Bankers, spoke on "The Company." He was followed by E. W. Cushing, resident vice-president, whose topic was "The Albany Branch Office." The session closed with a discussion of fidelity and surety coverages by R. E. Mathews, vice-president.

The afternoon session was opened by L. E. Falls, vice-president Bankers Indemnity and the American Fire of Newark, who spoke on "The American Group." He was followed by H. C. Townsend, agent at Lockport, N. Y., who talked on "The Agent," and D. E. Spencer of Oneida, Inc., who gave the viewpoint of the assured. After a talk on "Claim Adjustments" by W. J. Felch, assistant manager of the Albany office, the session was given over to a "Question Box," with Vice-President Babbage in charge.

## Commissioner Dunham Spurns Policy Offer

Commissioner Dunham of Connecticut, who has been active in his campaign against unlicensed companies, received a non-cancellable accident and health policy the other day from the National Mutual Accident of Houston, Tex., which is not admitted to Connecticut and is not mentioned in any of the recognized reference books. The premium is \$8 a month. Colonel Dunham turned down coldly the proffered offer.

## Auto Inspection Results Reported for Ten States

Results of inspections of motor car equipment conducted by the motor vehicle departments of ten states in 1930 have been tabulated by the National Bureau of Casualty & Surety Underwriters. In those states, 3,414,997 cars were inspected; 885,643 brakes were adjusted; 132,882 brakes were relined and 2,385,174 brakes were found to be in satisfactory condition. The inspection also included headlights, horns, steering equipment, mirrors, windshield wipers, and license tags.

In virtually every state during the period of the motor vehicle inspections in 1930 there were fewer automobile fatalities than during the corresponding period in 1929.

The National Bureau set 32,500 deaths as the motor vehicle toll for 1930 and estimates that 1,000,000 persons were injured.

## Ocean Accident Wins Tax Victory

The United States circuit court of appeals of the second district has handed down a decision reversing the board of tax appeals and sustaining the contention of the Ocean Accident that for 1918, 1919 and 1920, in determining net income for federal tax purposes, it is entitled to deduct the losses incurred in addition to the deduction for the increase in the reserves required by law.

As far as is known, the Ocean Accident is the only company which will have the benefit of this decision as no other saw the advantage to be gained by so construing a paragraph in the 1918 tax law.

## Soliciting by Mail in Florida

TAMPA FLA., Feb. 25.—Florida automobile business is being solicited by mail by the Hardware Mutual Casualty, Stevens Point, Wis., in a letter "to a selected automobile owner." The appeal is based on return of dividend to policyholders and also states that "you do not have to be in the hardware business to secure insurance in our company."

## BIDS FOR BOULDER DAM BOND TO BE OPENED MAR. 4

NEW YORK, Feb. 25.—A performance bond of \$5,000,000 will be required by the federal government of the successful bidder for the construction of the Hoover dam, power plant and appurtenance works of the Boulder Canyon project, bids for which will be opened in Denver, March 4. The Towner Rating Bureau estimates the cost of the project at \$55,000,000, the time required for completion from six to six and a half years. The promulgated bond rate is \$16.87½ per thousand on the contract price for the term, payable in advance. This reduced rate takes into consideration a maximum commission allowance of five per cent.

The United States Casualty has appointed E. S. Tachau & Sons, Louisville, as general agents.

## Rhode Island Commissioner Condemns Fictitious Fleets

### WRITES AGENTS' PRESIDENT

Savors of Rebating and Discrimination, Wilbour Declares—Should Not Continue

PROVIDENCE, R. I., Feb. 25.—The Rhode Island department has taken a decided stand against the inclusion of employees' cars under employers' fleets with all the advantage of the lower fleet rates allowed.

In a letter to President P. A. Colwell of the Rhode Island Association of Insurance Agents, Commissioner Wilbour says:

"This is a matter which should not be allowed to continue. It savors most strongly of rebating and discrimination and we see no reason why an employee's car should be foisted upon an insurance company under the fiction that it is a part of the employer's fleet and entitled to the fleet rates the employer secures."

"We believe it subversive of the best principles of insurance and decidedly to the injury of the legally licensed resident agent who has put his time and capital into the establishment of an insurance office and the serving of an insurance clientele."

"We shall be pleased to cooperate with your association and to continue so far as we may under the general insurance laws of Rhode Island our opposition to this practice and we shall also notify the companies concerned of our attitude in this matter."

The Rhode Island association has been carrying on a campaign against the practice for some months.

## Gilchrist on Stand in Probe of Bank of United States

NEW YORK, Feb. 25.—J. F. Gilchrist, chairman of the board of the Consolidated Indemnity, and its former president, was a director of the Bank of United States of this city, which closed some weeks ago, and the affairs of which have been under investigation ever since. Interrogated as to his knowledge of banking affairs, Mr. Gilchrist admitted upon the witness stand that he had had no experience in the business prior to assuming a place upon the board of the Bank of United States, and conceded that he did nothing toward learning its real condition, holding it to be a "one-man affair." He denied, however, that it was due to his political influence that the state made a large deposit with the bank. Prior to assuming the presidency of the Consolidated Indemnity Mr. Gilchrist was a transit commissioner, and is a close personal friend of Alfred E. Smith.

## H. T. Millard Resigns

According to reliable information, H. T. Millard, resident vice-president of the Federal Surety of Davenport, Ia., in charge of the branch office in Chicago, has resigned. A successor has not been named but it is understood that the company will make an announcement soon in this respect. Mr. Millard is out of the city and is reported to be negotiating for a new connection.

## O'Neill Ends Coast Trip

F. J. O'Neill, president of the Royal Indemnity, has returned to New York from an extended visit to the Pacific Coast. He spent considerable time in southern California, returning to New York from Los Angeles.

H. N. Douglass, associate manager of the Union Indemnity in Chicago, has been on a business trip to Minneapolis.

## Nebraska Senate Approves Guest Bill; Other Bills Up

Various state legislatures were active last week in considering different insurance measures.

The Nebraska senate approved a bill exempting a driver from liability for injuries to an invited guest riding in his automobile unless the driver is intoxicated or guilty of gross negligence. An automobile license bill has been introduced in Colorado while action on a similar bill in Ohio has been indefinitely postponed. A bill has been introduced in Ohio providing that passengers in an automobile that figures in an accident shall not have cause of action against the driver of the second car unless the driver of the passengers' car has cause for action. A bill has been introduced in the Maryland legislature which would require taxicab operators to deposit with the commissioner of motor vehicles a bond of \$2,500/\$5,000 to cover injuries to individuals, \$500/\$1,000 for property damage.

Bills introduced in the Oregon legislature would require a \$25,000 bond from all foreign or alien casualty companies; allow the use of merit or experience rating; and fix a minimum tax of \$1,000 on every foreign or alien company doing business in Oregon.

The consensus of opinion at the meeting of the Hastings unemployment insurance bill in the New York legislature was that the entire subject needed an investigation by a fact finding commission before any legislation is attempted.

## Federations Are Opposing State Insurance Schemes

The insurance federations in a number of states are seeking new members, due to numerous state fund bills of different kinds introduced. Some relate to workmen's compensation, some to automobile insurance and some to other lines. The insurance federation presents the argument of the insurance men on these measures. If state insurance schemes are adopted the compensation of insurance agents will be greatly reduced. Insurance producers everywhere are asked to rally to the support of the federation in these parlous times.

The Hooper-Holmes Bureau will shortly remove from its present offices at 80 Maiden Lane, New York City, to the newly completed building at 102 Maiden Lane, where it will occupy the entire tenth floor and a portion of the ninth floor.

## Schaghticoke H. & R. Hit by Depression; Giddap '31

NEW YORK, Feb. 25.—Among other companies and associations examined by the state insurance department last year in compliance with legal requirements was the Schaghticoke Society for Apprehending Horse Thieves and Robbers. With headquarters in Schaghticoke, the concern was organized in 1832, almost a century ago, and apparently has been in continuous operation ever since. It can hardly claim to be in flourishing condition, however, its total income in 1929 being \$32.42, of which sum \$3 was membership fees. In the same period the disbursements totaled \$20.74. The properties insured include: "Horses, blankets, harness, fowls, etc." No inspection is made of submitted risks. Evidently the advent of the automobile has been a sad blow to the Schaghticoke Society, or has the unpronounceable name of the concern proved its chief handicap?

## Company Reports for 1930

**Indiana Ins.**—Assets, \$704,857; unearned prems., \$312,298; loss reserve, \$28,822; liability reserve, \$39,167; commissions, etc., \$30,262; capital, \$130,000; surplus, \$148,519. Experience:

	Prem.	Losses*
Auto fire .....	30,887	10,691
Auto theft .....	38,945	16,917
Auto liability .....	160,162	54,991
Auto windstorm .....	4,972	801
Plate glass .....	9,725	5,438
Fire .....	44,708	28,310
Tornado .....	12,962	2,922
Auto prop. damage .....	70,349	27,347
Auto collision .....	180,012	173,163

Total .....\$ 552,724 \$ 320,581

\*Includes claims expense.

**Standard Accel.**—Assets, \$22,826,654; unearned prems., \$7,772,153; loss reserve, \$2,015,569; liability reserve, \$4,607,387; comp. reserve losses, \$3,438,088; non-canc. accident and health reserve, \$2,853; commissions, etc., due, \$635,327; capital, \$2,500,000; surplus, \$1,222,058. Experience:

	Prem.	Losses
Accident .....	\$1,690,067	\$ 871,539
Health .....	393,585	226,718
Non-canc. H. & A. ....	2,070	1,975
Auto liability .....	6,819,510	3,005,396
Other liability .....	1,453,029	472,002
Workmen's comp. ....	3,837,401	2,628,404
Fidelity .....	335,760	339,396
Surety .....	1,132,109	523,317
Plate glass .....	239,690	85,517
Burglary and theft. ....	494,272	166,051
Steam boiler .....	17,194	1,656
Engine and mach. ....	—14,858	5,713
Auto prop. damage. ....	1,468,388	625,388
Auto collision .....	217,359	119,704
Other P. D. and Coll. ....	122,606	26,883

Total .....\$18,708,187 \$9,099,667

**Amer. Farmers Mut. Auto.**—Assets, \$29,622; unearned prems., \$5,290; surplus, \$24,250. Experience:

	Prem.	Losses
Auto .....	\$ 11,646	\$ 6,944

**Auto-Owners, Mich.**—Assets, \$1,482,647; unearned prems., \$717,352; loss reserve, \$300,944; Est. expenses for losses, \$31,-

094; guaranty prem. reserve, \$200,000; surplus, \$228,256. Experience:

	Prem.	Losses
Auto .....	\$1,434,704	\$ 769,315

**United States Mut. Liab.**—Assets, \$849,-998; unearned prems., \$162,084; liability reserve, \$52,178; comp. reserve losses, \$309,031; surplus, \$272,704. Experience:

	Prem.	Losses
Auto liability .....	42,322	13,841
Other liability .....	8,681	250
Workmen's comp. ....	315,237	131,221

Total .....\$ 366,241 \$ 145,313

**Ft. Armstrong Auto Und.**—Assets, \$50,268; unearned prems., \$14,101; loss reserve, \$2,304; commissions, etc., due, \$3,350; capital, \$26,876. Experience:

	Prem.	Losses
Auto liability .....	22,683	927
Auto theft .....	4,806	787
Auto fire .....	4,767	371
Auto prop. damage. ....	14,723	3,022
Auto collision .....	15,373	7,672

Total .....\$ 62,354 \$ 12,782

**American Liab. & Sur.**—Assets, \$2,187,-522; unearned prems., \$397,842; loss reserve, \$75,583; liability reserve, \$153,760; commissions, etc., due, \$59,144; capital, \$500,000; surplus, \$985,102. Experience:

	Prem.	Losses
Accident & health. ....	93,869	37,127
Auto liability .....	343,909	64,730
Other liability .....	13,282	25
Fidelity .....	5,861	56
Surety .....	71,079	63,177
Plate glass .....	42,893	9,104
Burglary and theft. ....	57,630	12,824
Auto fire .....	38,051	10,791
Auto prop. damage. ....	179,517	52,196
Auto collision .....	143,653	76,868
Other P. D. and coll. ....	465	.....
Tornado .....	1,964	73

Total .....\$ 992,173 \$ 326,971

**Aero Indem.**—Assets, \$2,123,804; unearned prems., \$58,706; loss reserve, \$3,286; liability reserve, \$78,588; comp. reserve losses, \$52,490; commissions, etc.,

due, \$3,058; capital, \$1,000,000; surplus, \$921,026. Experience:

	Prem.	Losses
Accident .....	8,856	4,344
Other liability .....	42,241	29,352
Workmen's comp. ....	65,428	17,800
Other P. D. and coll. ....	13,640	7,170

Total .....\$ 130,165 \$ 58,666

**Associated Indem., Cal.**—Assets, \$3,831,543; unearned prems., \$917,015; loss reserve, \$108,587; liability reserve, \$164,-227; comp. reserve losses, \$878,327; commissions, etc., due, \$99,370; capital, \$500,-000; surplus, \$964,777. Experience:

	Prem.	Losses
Accident .....	5,508	1,974
Health .....	247	.....
Auto liability .....	451,145	181,551
Other liability .....	93,960	17,895
Workmen's comp. ....	2,609,959	1,528,434
Fidelity .....	35,998	6,113
Surety .....	40,483	8,432
Plate glass .....	12,771	3,194
Burglary and theft. ....	17,549	6,579
Auto prop. damage. ....	183,021	84,179
Auto collision .....	290,120	179,440
Auto, all other. ....	290,431	99,616

Total .....\$4,031,192 \$2,117,407

**Inter-Ins. Exch., Auto Club So. Calif.**—Assets, \$6,855,514; unearned prems., \$2,-163,515; loss reserve, \$260,573; surplus, \$4,324,381. Experience:

	Prem.	Losses
Auto fire E. Q. theft. ....	667,771	100,005
Auto prop. damage. ....	686,444	282,962
Auto collision .....	2,864,393	1,437,817
Miscellaneous .....	.....	15,150

Total .....\$4,208,608 \$1,835,934

**Citizens Fund Mut. Cas.**—Assets, \$155,-643; unearned prems., \$43,538; loss reserve, \$3,050; liability reserve, \$7,608; guaranty fund, \$100,000; surplus, —\$1,-519. Experience:

	Prem.	Losses
Auto liability .....	44,961	10,422
Plate glass .....	371	.....
Burglary and theft. ....	5,697	2,543
Auto prop. damage. ....	20,050	5,901
Auto collision .....	8,243	5,508
Auto fire, tornado. ....	6,999	1,925

Total .....\$ 86,321 \$ 26,299

**Mut. Plnte Glass**—Assets, \$748,071; unearned prems., \$234,219; loss reserve,

\$23,117; liability reserve, schedule P, \$896; commissions, etc., due, \$30,019; surplus, \$415,096. Experience:

	Prem.	Losses
Auto liability .....	2,938	.....
Plate glass .....	457,355	257,135
Auto prop. damage. ....	1,515	67

Total .....\$ 461,859 \$ 257,252

**Western States Lloyds**—Assets, \$91,862; unearned prems., \$18,189; capital, \$70,000; surplus, \$18,272. Experience:

	Prem.	Losses
Auto .....	36,940	7,854

### Nelligan Bereaved

W. H. Nelligan, special agent for the United States Fidelity & Guaranty at Milwaukee, was called to Hartford last week by the death of his mother, Mrs. Mary T. Butler.

### Haupt New Globe Office Manager

M. W. Haupt has been appointed to succeed E. R. Larson as office manager and auditor of the Globe Indemnity, Chicago office. Mr. Haupt comes from the Massachusetts Bonding, where for several years he was employed in the same capacity.

### American Surety Men Elected

Through an error on the part of a copy reader, a mistake was made in the headline over the story announcing the election of a number of American Surety officials to executive positions on the New York Casualty, which is a subsidiary of the former company. The headline stated that National Surety officials were given New York Casualty posts.

### Casualty and Bonding Executive

Available March 5th. Seven years' experience in General Agency underwriting casualty and automobile, then five years as Special Agent in Ohio for multiple casualty and bonding lines. Branch Office or Service Office preferred. Address Box S-32, The National Underwriter.

# THE OHIO CASUALTY INSURANCE COMPANY

B. D. LECKLIDER, President

HAMILTON, OHIO

HOWARD SLONEKER, Secretary

## Financial Statement January 1, 1931

### ASSETS

Real Estate—Book Value.....	\$ 183,795.33
Bonds and Stocks—Market Value.....	2,512,856.25
Cash in Bank and Office.....	118,009.19
Premiums in course of collection (under 90 days).....	325,243.87
Interest Accrued .....	5,557.70
Reinsurance .....	7,277.22
Other Ledger Assets.....	12,400.00

**\$3,165,139.56**

### LIABILITIES

Special Reserve for Liability Losses.....	\$ 390,671.00
Reserve for Losses and Claims Other Than Liability.....	206,151.00
Reserve for Unearned Premiums.....	1,310,999.99
Reserve for Taxes.....	49,383.72
Reinsurance .....	17,727.80
Reserve for Reinsurance Accepted.....	36,216.52
Voluntary Reserve for Contingencies.....	30,000.00
Capital Stock .....	\$600,000.00
Surplus .....	523,999.53

Surplus to Policyholders ..... 1,123,999.53

**\$3,165,139.56**

**SURPLUS TO POLICYHOLDERS "OVER A MILLION DOLLARS"**

**Full Cover Automobile - - Plate-Glass - - Fidelity and Surety Bonds - - Burglary - - Liability**

### Branch Offices

Room A722, 175 W. Jackson Blvd.  
Chicago, Illinois

716 Plankinton Bldg.  
Milwaukee, Wisconsin

101 Planters Bldg.  
St. Louis, Missouri

1334 Union Tr. Bldg.  
Cleveland, Ohio

**SOUTHERN DEPARTMENT**  
620 Rhodes-Haverty Bldg.  
Atlanta, Georgia



## CHANGES IN CASUALTY FIELD

### Grahame Is Given Promotion

**Elevated to Resident Vice-President of Maryland Casualty in Chicago—Others Advanced**

M. Gordon Grahame, resident manager in Chicago of the Maryland Casualty, has been appointed resident vice-president, having supervision over 28 counties in Illinois, 11 in Iowa and one in Indiana.

J. P. Keevers, who has been assistant resident manager in charge of the surety department, becomes resident manager of the branch, retaining supervision over surety business.

C. L. Gibbons, manager of the cas-

ualty department since 1924, becomes the new assistant resident manager.

Mr. Grahame has spent his entire insurance life with the Maryland Casualty, starting in February, 1912. He went to Chicago early in 1920 as manager of the bond department in the branch and was appointed resident manager in June, 1925.

Mr. Keevers had experience with the Fidelity & Deposit and the United States Fidelity & Guaranty and has been with the Maryland Casualty since 1919. Mr. Gibbons up to 1920 was a special agent for the Maryland and then went to Chicago as assistant manager of the casualty department.

### Burrier Goes to Ohio

Edward Burrier has been transferred

from the home office of the New Amsterdam Casualty to Ohio as special agent. Mr. Burrier will work under C. L. Harris, Ohio supervisor.

### Gehrke Casualty Manager

**Agency Man of 28 Years' Experience Is Appointed by Moore, Case Lyman & Hubbard**

George F. Gehrke has been appointed by Moore, Case, Lyman & Hubbard, large Chicago general agency, in charge of its casualty department. Mr. Gehrke has had over 28 years' insurance experience, most of the time with Conkling, Price & Webb of Chicago, starting as office boy and working up through almost every position in the office outside of the accounting department. He is one of the most skilled and competent casualty men of the city.

He resigned from Conkling, Price &

Webb in April, 1927, when he was a member of the firm, to go with the Century Indemnity as manager of the casualty department in Chicago, and in 1929 he took a similar position with the Southern Surety, which he has just left.

### Joins American Liability & Surety

Harold J. Conlon, who for 10 years has been chief underwriter for the General Accident at its head office in Philadelphia and underwriting superintendent at the United States head office of the Zurich in Chicago, has been appointed casualty underwriter for the American Liability & Surety of Cincinnati. Mr. Conlon was connected with the General Accident for about 10 years and with the Zurich for nearly three years. He is also an attorney and has had experience in claim work.

### Massachusetts Bonding Appoints

Spencer Welton, vice-president Massachusetts Bonding, announces the ap-



## MASSACHUSETTS BONDING AND INSURANCE COMPANY

HOME OFFICE, BOSTON, MASSACHUSETTS  
T. J. FALVEY, President

**Paid-Up Cash Capital . . . . . \$4,000,000.00**

### Financial Statement, December 31, 1930

On Basis Required by Insurance Departments

ASSETS		LIABILITIES	
Cash in Office and Banks	\$1,132,968.24	Reserve for Unearned Premiums	\$4,120,812.59
U. S. Government, State, County and Municipal Bonds	3,750,252.00	Reserve for Undetermined Claims	4,502,660.71
Railroad, Public Utility and Miscellaneous Bonds	5,297,440.00	Reserve for Taxes due 1931	276,819.51
Bank Stocks	2,124,900.00	Reserve for Commissions	362,240.64
Railroad, Public Utility and Miscellaneous Stocks	2,410,496.00	Reserve for Other Liabilities	23,159.28
Accrued Interest on Investments	134,365.41	Total Reserves and Liabilities	\$9,285,692.73
Premiums in Course of Collection (None over 90 days)	1,711,626.44	Except Capital	\$4,000,000.00
Real Estate	1,251,074.64	Cash Capital	\$4,000,000.00
Real Estate Mortgages	26,500.00	Surplus over Capital,	
Other Assets	64,476.95	Reserves and	
		all Liabilities	4,500,000.00
		Undivided Profits	118,406.95
		Surplus to Policyholders	8,618,406.95
<b>TOTAL ADMITTED ASSETS</b>	<b>\$17,904,099.68</b>	<b>TOTAL</b>	<b>\$17,904,099.68</b>

### FIDELITY, SURETY AND FORGERY BONDS

Automobile Liability, Automobile Property Damage, Public Liability, Golfer's Liability, Elevator, Compensation, Accident, Health, Burglary, Theft, Robbery and Plate Glass Insurance.

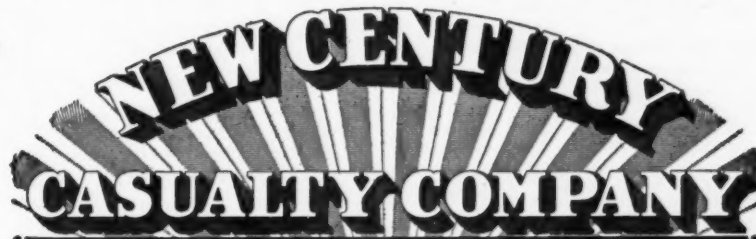
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PROP. DAMAGE	TEAMS	PLATE GLASS	WORKMEN'S
COLLISION	ELEVATOR	STEAM BOILER	COMPENSATION

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for change, capable of making inspections  
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A few good men experienced in selling automobile  
insurance in the Chicago territory are wanted by a  
progressive casualty organization. To men desir-  
ing a permanent connection live leads will be fur-  
nished. In answering give experience and ref-  
erences. Address S-85, care The National Under-  
writer.

pointment of A. C. Kearns of Lexington, Ky., as general agent for the company. Mr. Welton has also appointed the Ed. S. Moore agency of Birmingham, Ala., as general agent. C. L. Gandy, who is prominent in the councils of the National Association of Insurance Agents, is vice-president of this agency.

Ogden I. Davidson, Chicago manager for the Massachusetts Bonding, announces the appointment of Edwin E. Besser, Jr., of Chicago as general agent in that city.

### Michigan Mutual Enters Ohio

The Michigan Mutual Liability of Detroit has entered the Ohio field and opened a branch office in Toledo. Russell Short, formerly supervisor in the Lansing territory, has been appointed Toledo branch manager. Since the founding of the company in 1912 it has confined its business entirely to Michigan.

### California Agencies Appointments

President C. A. Teasdale of California Agencies, representing the Continental Casualty and Continental Assurance, appointed I. Cary manager of the casualty department and W. E. Mast manager of the life, health and accident department of the southern California branch office at Los Angeles. Mr. Cary has been with the agency since its organization, first at San Francisco and later at Los Angeles. Mr. Mast has been for the past five years assistant manager of the life, health and accident department and was formerly with the Travelers at Canton.

### Heinsch Gets Eagle Indemnity

On the recent visit to Los Angeles of President F. J. O'Neill, R. L. Heinsch was appointed general agent for southern California of the Eagle Indemnity, with direct home office service. Hereafter the general agency will write all lines of casualty insurance. Mr. Heinsch will change the name of the agency from Consolidated General Agency and operate under his own name.

### Other Casualty Changes

The John C. Stott Insurance Agency of Norwich, N. Y., has been given the general agency of the Standard Surety & Casualty for the south-central section of the state. Mr. Stott was formerly manager for the National Surety, opening its office at Syracuse some years ago.

M. C. Gilmore has been appointed special agent in southern California for the

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public liability, property damage,  
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## Given Higher Post



M. GORDON GRAHAME

Made Resident Vice-President for Mary-  
land Casualty in Chicago

casualty department of E. D. Williams & Co., Los Angeles general agency. He was previously with the Globe Indemnity and Continental Casualty in Los Angeles and prior to going to California was with the National Union companies in the middle west.

## Workmen's Compensation

### New Rates in California

Reductions Average 10 Percent in Some  
Industries—Others Given 25 Per-  
cent Increases

SAN FRANCISCO, Feb. 25.—New compensation rates will go into effect in California March 1. Reductions averaging 10 percent are being made in some industries while in others the scale has been increased as high as 25 percent.

Industries enjoying a lower rate include cement manufacturing (exclusive of quarrying) which drops from \$2.25 to \$2.17; gasoline recovery from \$2.55 to \$2.94; motion picture production from \$2.46 to \$2.39; saw mills, from \$5.65 to \$5.14. In this connection it is interesting to note that the cement industry has consistently won a lower rate every year since 1914 when the rate was \$5.04. In 1927 it has been reduced to \$3.14 and this year an additional reduction has been granted.

### Where Rates Are Increased

Among the industries which have had their rates materially increased are: automobile dealers, auto and aircraft parts manufacturing, bakeries, beet sugar manufacturing, bridge building, cabinet works, carpentry, chauffeurs, concrete construction (N. O. C.), concrete construction or bridges, earth dam construction, concrete dam construction, dredging (N. O. C.), farms (N. O. C.), iron and steel erection of buildings, iron and steel construction (N. O. C.), junk dealers, laundries (N. O. C.), machine shop, exclusive of foundry, masonry, millwright, mining, oil producing, painting steel structures or buildings, painting and decorating, pile driving, planing and moulding mills, printing, produce dealers, rubber goods manufacturing, sheet metal works, slaughtering, including handling of live stock.

### Private Carriers to Continue

HELENA, MONT., Feb. 21.—Private carriers will continue to write work-



men's compensation business in this state, the measure offered in the legislature denying them such right having been defeated when put to vote. Under the existing law indemnity may be carried either through the medium of the state fund, private carrier or self-insurance.

### Compensation Sub-Committee Postpones Date for Hearing

NEW YORK, Feb. 25.—The dates originally set for hearings by the sub-committee of the standing committee on workmen's compensation insurance of the National Convention of Insurance Commissioners, to consider changes in the constitution of the National Council on Compensation Insurance adopted last October, have been postponed from Feb. 26-28 to March 19-21 by consent of all parties at interest.

At this particular time the commissioners and the company executives are

unusually busy, dealing with legislative and kindred matters, and it was felt that were the hearings to go over for a month more time would be allowed for the preparation of data by both the stock and non-stock carriers, and that a larger attendance of company representatives would be assured.

### Labor Interests Rap Bryan Move

LINCOLN, NEB., Feb. 25.—Labor interests in Lincoln and Omaha have condemned the action of Governor Bryan in setting aside compensation awards made by J. H. Jeffrey, when commissioner, following a challenge of Mr. Jeffrey's right to make them because his appointment was not as provided by law. Resolutions adopted here charge that the governor "in an attempt to force upon the people his undeveloped and unmaturing notions of managing state affairs, denied to injured workers who depend upon their compensation payments for a living, the agencies of a state labor bureau already created and existing by law."

## ACCIDENT AND HEALTH FIELD

### Find Conditions Improving

#### Industrial Companies Report Decided Turn for Betterment in Large Mid-Western Cities

The experience of industrial accident and health companies, which gives one of the best indexes to general industrial conditions in the country, seems to indicate that the long awaited revival in industry is now well under way.

Chicago was the first of the larger mid-western cities to show improvement in this respect. Business began to improve there immediately after the first of the year and collection ratios of 98, 99 and 100 percent are reported in recent weeks by one company, which has probably the largest volume of industrial business in Chicago. Detroit, which probably was harder hit than any of the other cities, naturally was slower to respond, but the improvement is beginning to be felt there and in Cleveland. Cincinnati has shown little gain so far. Indianapolis where the slump was not so severe as in the larger cities, is reported as being practically back to normal.

### Accident Bureau's Annual Meeting Held in New York

NEW YORK, Feb. 25.—Members of the Bureau of Personal Accident & Health Underwriters held their annual meeting here yesterday. The business sessions were executive, the members offering for discussion any phase of the business of particular interest on which they desired to obtain a consensus of opinion. George Goodwin, assistant secretary of the accident department of the Connecticut General Life, acted as chairman.

### Postal Life & Casualty on Stipulated Premium Basis

The Postal Life & Casualty of Kansas City, Mo., which has changed from the assessment to a stipulated premium plan, is licensed only in Missouri but does business in other states by mail. It employs no agents. It started writing life insurance last year but gave up further solicitation and confines itself only to accident. R. L. Gregory, son of the founder of the Federal Reserve Life, W. H. Gregory, organized the Postal Life & Casualty in 1927 and is its president. In fact, R. L. Gregory was connected with the Federal Reserve Life until 1927. J. W. Walker, C. E. Whitaker and M. B. Salisbury are vice-

presidents, E. O. Kunau, secretary. It has \$25,000 capital stock and \$25,000 surplus. It is soon moving to the Dierks building at 10th and Grand streets, Kansas City. Its assets are \$62,788.

### Chicago Managers' Dinner

The annual dinner of the Accident & Health Managers Club of Chicago, held Thursday night at the Germania Club, was the most successful ever staged by that organization, with more than 50 members and guests in attendance. The affair was entirely social in character, intended to develop a better acquaintance among accident and health managers and other department heads. An entertainment program of especial merit was presented, but there was no speaking program.

### "Flu" Wave Hits Detroit

With the influenza wave which brought a flood of small claims to accident and health companies in Chicago in January apparently at an end, a similar visitation seems to be sweeping Detroit. Claims there, which were about normal while the Chicago epidemic was under way, are now attaining about as large proportions as they did in the latter city in January.

Practically none of these "flu" claims is for more than two weeks and many of them are for much shorter period.

### Lincoln L. & A. to Expand

OKLAHOMA CITY, Feb. 25.—Increasing its capital from \$50,000 to \$200,000, the Lincoln Life & Accident, organized in 1916, will now write ordinary life as well as industrial, President P. K. Smith announces. Plans are on foot to extend its field to include Texas.

The company will hold its first general convention March 7. In the afternoon a business meeting will be held at the home office, followed by a banquet in the evening. Between 150 and 200 men and their ladies are expected to attend.

### Pioneer Accident Reinsured

KANSAS CITY, MO., Feb. 25.—The Pioneer Accident, a mail-order association formed only a few weeks ago, has been reinsured by the National Protective. R. S. Frenchman, president, and H. B. Mann, secretary of the Pioneer, are retiring.

The Pioneer, which issued the same sort of policy as the National Protective, is the third company the National Protective has absorbed in the past three years, the others being the Peerless Life and General Life, both of Kansas City.



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Jewelry Insured against Loss of Any Kind \ Any Time \ Any Where Coverage is "All Risks in All Situations"

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Capital and Surplus \$400,000

Agency Connections Open in Illinois, Wisconsin, Iowa and Missouri

## CASUALTY PERSONALS

**T. E. ("Tim") Dunne**, manager of the fidelity and surety department in the Chicago branch of the United States Casualty, is now in the midst of arrangements for his annual cruise, but this year is in charge of two trips. The first is a Labor Day cruise to Sault Ste. Marie, Can., and Mackinac Island, lasting three days. The second is a two weeks' vacation trip under the Honduran flag to Havana, Panama Canal and Nicaragua. Accommodations are limited to 60.

**Eugene Obendorfer, Sr.**, 66, died at his home in Atlanta Sunday. Burial was at Jacksonville, Fla. He was resident manager at Atlanta for the Fidelity & Casualty and in that capacity served it for 44 years. This long service made him the dean of resident managers of

the company. His territory comprised Georgia, Florida, Alabama and South Carolina. He was born in New York and started early in life as a clerk with the company. He is survived by his widow and two sons, Eugene, Jr., and Donald, both of whom were associated with him in the insurance business. He is also survived by two brothers, Max N. and Albert Obendorfer of the Max N. Obendorfer Insurance Agency in Jacksonville.

**J. C. Harmon**, president and secretary of the Harmon Agency, Oshkosh, Wis., died Sunday following an operation.

He entered insurance work immediately after finishing high school and had made it his life work. He was named manager for the casualty branch of the Travelers in Wisconsin, with headquar-

ters in Milwaukee, in 1904. Later he joined his brother, D. D. Harmon, in the partnership known as the Harmon agency.

Mr. Harmon was known as an authority on workmen's compensation insurance, and was an exceptionally able casualty and surety salesman.

**G. F. Michelbacher**, vice-president Great American Indemnity, has been in San Antonio visiting Coleman & Co. He is making a tour of the company's Texas agencies.

**Wilfred C. Potter**, president of the Preferred Accident, is on a voyage to the West Indies and South America.

**R. I. Boswell**, manager at Richmond for the Consolidated Indemnity, was severely injured recently in an automobile accident but is now on the road to recovery. He was returning home in his car after filling the leading role in a play, "Stepping Some," an ama-

teur performance given for charity, when the machine collided with another.

**L. L. Hall**, secretary the National Bureau of Casualty & Surety Underwriters, who has been confined to the house for some days with an attack of the grippe, is again at his office in New York City.

**H. J. Bennett**, treasurer of the Inter-Ocean Casualty, died last week at his home in Cincinnati. Mr. Bennett was a native of Ohio but made his first connection with the Inter-Ocean Casualty more than 20 years ago while a resident of Springfield, Ill., working up to the official position which he held at the time of his death.

**T. E. Braniff** of Oklahoma City and his family are vacationing at Miami, Fla., expect to remain until the latter part of March. Feb. 20 marked the 30th anniversary of Mr. Braniff's career in the insurance business in Oklahoma City.

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### CHAPTER II Production Department

Old Picture Fading Out; Why We Created a Sales Department; Sales Force; Selection of Salesmen; Training Sales Organization; Salesmen's Equipment; Compensation to Salesmen; How Prospects Are Created; Watching the Newspapers; Renewal Business; Insurance Programming.

### CHAPTER III Advertising

Advertised Service; Panels of Advertising; Road Signs; Newspaper Advertising; Radio Announcements; Novelty Advertising; Exceptional Advertising.

### CHAPTER IV System in General

What Our System Does; Equipment; Forms Used in Fire Department; General Routine; Course of Order for New Business; Routine of Preparing Renewals; Flow of Detail Relating to Endorsements; Book-keeping and Cashier's Department.

### CHAPTER V Credits

Credit Ratings; Collections.

### CHAPTER VI Engineering Department

Inspection; Engineering Reports; Changes Affecting Rates.

### CHAPTER VII Claim Department

Agent's Responsibility; Loss Adjustments; Adjusters; Routing and System.

### CHAPTER VIII Bonding and Casualty Department

### CHAPTER IX

#### Automobile Department

Specialization Necessary; Bigger Possibilities; Methods Used to Secure Business; Loss Claims; Renewals; Mutual and Other Competition; Agent's Responsibility; System Employed; Trend of Business.

### CHAPTER X Company's Automobiles

Regulation of Cars.

### CHAPTER XI Agency's Statistics

### CHAPTER XII Company and Agency Relations

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## What Energy and Initiative Will Do in the Local Agency Field

TEN years ago B. D. Cole went to West Palm Beach, Florida, and purchased an insurance agency. The agency had been organized more than twenty-five years before, at a time when West Palm Beach was not much more than a trading post. It had passed into the hands of various successors, and at the time he took it over, June 2, 1919, it had become a branch of a real estate concern.

The insurance end of the business was conducted in the extreme rear of the office, with an organization of two employees devoting only a part of their time to insurance. Considerable business had been running off the books for various reasons, but principally on account of lack of system and effort. The very splendid list of companies represented was one of the favorable features of the business.

Although Mr. Cole had but one acquaintance in West Palm Beach when he bought the agency, he succeeded in holding practically all of the business on the books at that time.

The normal population of the community at the time the business was acquired was approximately 10,000. The 1930 census gives the combined population of West Palm Beach and Palm Beach as 28,299.

During these ten years the business has developed from less than \$45,000 of premiums a year, to more than \$700,000 in net premiums, in 1929. The agency now has twenty-four salaried employees. During the period the county and community have experienced a pronounced real estate boom with its reaction; fourteen bank failures; and the consequences from the most severe cyclone Florida has ever experienced.

Several years ago the expirations of two comparatively small agencies were purchased, but the business was almost wholly the direct results of the B. D. Cole, Inc., organization.

Mr. Cole was, of course, a thoroughly trained and experienced insurance man. Combined with his knowledge of the business are unusual qualities of sympathetic and intelligent leadership, a strong practical idealism, and an infinite capacity for taking pains.

Mr. Cole has written a book about his experience in the local agency field and in this book he draws a very clear picture of the methods, ideals, and plans he has followed in achieving this truly remarkable record. But behind these pages, the reader will get a picture of an almost ideal insurance agency, with every activity systematized for greatest efficiency and results, alert to grasp and follow up every opportunity for increased business, continuously and persistently watchful of every point which might lead to better satisfaction to customers, better service to the companies represented.

The fundamental ideas upon which the business has been developed are perhaps not new; many of them have been urged upon agents, in conventions and insurance journals, time after time. For Mr. Average Agents they were "too much bother—wouldn't pay for the time and trouble."

This is Mr. Cole's big contribution: he has proved that these ideas and methods are not merely theory; but thoroughly practical, workable, profitable principles for building a local agency.

He first developed them in a practical way, and then proved that they do work.

The tremendous volume of business secured in a very limited territory proves that these business-building methods do get the business; the analysis of the agency's expenses, shown in Chapter XI, prove that the business is secured at reasonable expense.

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